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1031 – Still a Smart Solution

In light of the current real estate market, and recent events involving irresponsible accommodators, investors may consider withdrawing from selling investment properties, or determine not to include a sale in a 1031 exchange. However, with due diligence, 1031 is still a smart solution for investors.

Know the accommodator!!! ~ Question the accommodator as to how and where the funds are deposited, the qualifications of the staff, and the accounting and audit procedures of the firm. JELD-WEN 1031 welcomes questions from investors and their counsel, as well as the opportunity to work with the team of professionals assisting the investor. The trust of investors and their confidence in JELD-WEN 1031's integrity remains the highest priority.

Current Market ~ The market holds an abundance of quality potential replacement properties at exceptional prices. Can the investor get a fair price for their current property in order to take advantage of the current inventory of potential replacement properties? Real estate professionals are ready to work with investors to set realistic prices and provide marketing plans designed to move real estate. When the investor finds ideal replacement property prior to the sale of their current property, a reverse 1031 exchange will allow an investor to acquire and park the replacement property with the accommodator awaiting the sale of the investor's current property.

Tax Implications, "It doesn't end at 15%" ~ Federal capital gains rates are only a part of the tax implications on the sale of property. Many states also impose a capital gains tax, i.e. Oregon's capital gains rate of 9%. In addition, unless the property is bare land, there is tax on recapture of depreciation, called Section 1250 Gain, taxed at 25%. If the investor did not claim depreciation in prior years, don't believe the IRS has been fooled. The IRS will still require the 25% tax. Then there are taxpayers who find themselves in the realm of AMT (Alternative Minimum Tax).

Investors have worked diligently to build wealth through real estate investments, and continue to have the opportunity to preserve their equity through 1031 exchanges. JELD-WEN 1031 looks forward to every opportunity to assist the investor as they continue to build their investment portfolio.



"The key to building wealth is to preserve capital and wait patiently for the right opportunity to make the extraordinary gains"

-- Victor Sperandio

Interview the Accommodator

"What type of internal controls, audit procedures and checks and balance does the Accommodator have to protect my 1031 exchange?"

To insure the safety and security of funds entrusted to JELD-WEN 1031, segregated accounts are required for all exchange files with dual handling required for all transfers of exchange funds. Most banks offer an online view feature of the segregated account for the Exchangers use. Bank account reconciliation for each exchange account is completed monthly by the accounting staff of our parent company and periodic audits of the exchange accounts are conducted by PricewaterhouseCoopers.