

# 1031 Tax Deferred Exchange Top 10 Reasons and Benefits

1. **Exchange** from property which cannot be refinanced, such as land, to improved property which will support a new loan, gives an investor the ability to obtain cash; perhaps to buy more property.
2. **Trading** from non-productive land to improved property can also create cash flow.
3. **Trading** from a high appreciation property, such as a house or apartment, to a high cash flow property, such as a retail store, creates cash flow for retirement.
4. **Exchange** from cash flow property to property with a faster rate of appreciation for investors who do not need cash, but wish to build their estate.
5. **Exchange** from a property with high debt service payments for property with lower payment or lower interest.
6. **Exchange** for a property that is easier to sell.
7. **Exchange** to adjust lifestyle. For example, exchange for a property requiring reduced management effort for the retiree who wishes to travel or move.
8. **Exchange** from many smaller properties to a larger building to consolidate ownership benefits.
9. **Trading** from a larger property into smaller buildings to divide an estate among several people or to improve liquidity.
10. **Trading** to convert the nature of the investment . For example, trade from an investment house to a small medical building for the doctor who wishes to practice in a building he owns.