



## 1031 Tenant in Common Exchanges

If you own or have clients who own investment or business property such as farm or raw land, rental houses or apartments, office buildings or retail sites that is:

- Not providing enough cash flow
- Involves too much management
- Under or over diversified
- Highly appreciated or fully depreciated

You may want to consider an **IRS 1031 tax deferred exchange**, particularly a **tenant in common (TIC) exchange**.

### OPTION 1:

Sell your property, pay the taxes and reinvest.

**OR**

### OPTION 2:

Defer capital gains and depreciation recapture taxes on your real estate by exchanging your real estate for an institutional grade property.

## Get Started

If you are an accredited investor\* and would like to discover whether a 1031 TIC Exchange is right for you, **contact us to schedule a no-obligation presentation to learn more.**



Michael Curtiss, CFP®, MBA, CEBS  
515 North Green Street  
Suite #401  
Brownsburg, IN 46112

Toll Free: 866.858.2211  
Phone: 317.858.2222  
Fax: 317.858.6251

mikec@envisioningfinancial.com  
[www.envisioningexchange.com](http://www.envisioningexchange.com)

## Partners and Associations



Mike Curtiss is a registered representative in Indiana, Ohio, Illinois, Texas, Georgia, Alabama and Florida. Adviser not licensed in all states. Securities offered through Pacific West Securities, Inc. Member FINRA/SIPC. Advisory services provided through Pacific West Financial Consultants, Inc., a Registered Investment Advisor.

\*Accredited investors must have a net worth exceeding \$1 million or individual net income of \$200,000 or more annually; or a joint annual income of \$300,000 or more for the past two years, and a reasonable expectation of doing so in the current year.



## 1031 Tenant-in-Common (TIC) Real Estate Exchanges:

*Offering an innovative alternative to an established solution for highly valued real estate*



[www.envisioningexchange.com](http://www.envisioningexchange.com)

## About Us:

Envisioning Exchange was established to educate interested parties about the tenant in common industry and to assist in determining whether



a TIC investment is suitable for their financial situations. It is a service of **Envisioning Financial, Inc.**, a Brownsburg, Indiana-based financial planning and consulting company founded by certified financial planner Michael Curtiss, CFP®, MBA, CEBS.

## Our Experience:

Mike Curtiss regularly attends TIC-related conferences and seminars, and is a member of the **Tenant in Common Association (TICA)**, a national trade organization whose mission is to advance, promote and protect the TIC industry.

## Our Affiliation:

Our affiliation is with Pacific West Securities, one of the TIC industry's leading broker/dealers. Since 1999, Pacific West representatives have closed more than 1,000 TIC transactions.



## What is a 1031 Exchange?

A 1031 Exchange is a transaction in which a taxpayer exchanges one investment property for another and thus defers any tax obligations on the sale. Section 1031 of the IRS code states: "No gain or loss shall be recognized on the exchange of property held for productive use in a trade or business or for investment if such property is exchanged solely for property of like kind which is to be held either for productive use in a trade or business or for investment."

## Benefits:

For qualified investors, TICs can offer the following benefits:

- Defer capital gains and depreciation recapture tax on your real estate exchange
- Provide for ownership of institutional grade properties
- Eliminate headaches of active property management
- Provide the potential for passive income and long-term appreciation
- Transfer of property at death with a full stepped up cost basis



## Risks:

Remember, all investments, carry an element of risk. 1031 TIC offerings have the usual risks of most real estate transactions, such as:

- Illiquidity - No known secondary market for TIC interests
- Possible loss of principal
- Economic risk due to vacancy rates or loss of major tenant

## Types of property or real estate typically exchanged in a 1031 TIC:

- Apartments / Multifamily units
- Farm land or other raw or unimproved land
- Shopping centers
- Retail sites
- Warehouses / Industrial complexes
- Office buildings
- Hotels / Motels
- Tenant in common interests

## Basic rules:

To participate in a 1031 Exchange, investors must adhere to some basic rules:

- Acquire like-kind real estate property of equal or greater value
- Acquire the property for business or investment purposes
- Acquire equal or greater debt
- Receive no cash or other benefits on the sale of the initial property (constructive receipt)
- Follow strict 45/180-day timelines for the 1031 exchange (the investor has 45 days to identify replacement properties, and up to 180 days to close on at least one of these properties)
- Be an accredited investor\*



**Envisioning Exchange can assist you in determining whether a 1031 tenant in common real estate investment might be suitable for you. If so, we can identify properties that fit your objectives and guide you through the steps to becoming a TIC investor.**