

# 1031 EXCHANGE

**Get more** from your  
real estate portfolio.



Create easy cashflow  
while **retaining value.**

# OVERVIEW

Founded on the legacy of Hardin Bigelow, Sacramento's first mayor, we've combined our passion for precision with forward-thinking investment strategies.



## WHAT IS "1031"?

When we think about real estate, most of us view it as a static investment - an asset that, over time, appreciates. But what if, within your real estate portfolio, there's an untapped goldmine of opportunities?

The "1031 exchange" strategy not only preserves the equity you've so painstakingly built up, but also paves the way for consistent monthly income.

By strategically restructuring your portfolio, you can leverage your existing assets and create a cashflow machine, easily doubling or tripling your investment property income, while benefiting from IRS code 1031 which allows you to defer capital gains taxes.

# HOW DOES IT WORK?

The purpose of the exchange is simple:

To exchange a non-productive property for a new asset of equal or greater value, which will also produce significant passive income for the owner.

## **Step 1: Sell**

Initiating a 1031 exchange begins with the sale of your existing property, known as the "relinquished" or "downleg" property. Upon closing, the proceeds are placed with a qualified intermediary, ensuring the seller doesn't take "constructive receipt" of the funds, which is essential for the tax deferral benefits of the exchange.

## **Step 2: Identify**

Within 45 days of the sale of your relinquished property, you must identify potential replacement properties. You can select up to three properties without regard to their market value, or more properties if you adhere to specific value rules. Proper and timely identification is crucial for the exchange's validity.

## **Step 3: Execute**

Post-identification, you have up to 180 days from the sale of your original property, or the tax return due date (whichever is earlier), to close on one or more of the identified replacement properties. Once acquired, the "upleg" property must be held for investment purposes, and the exchange is then complete, deferring capital gains taxes.

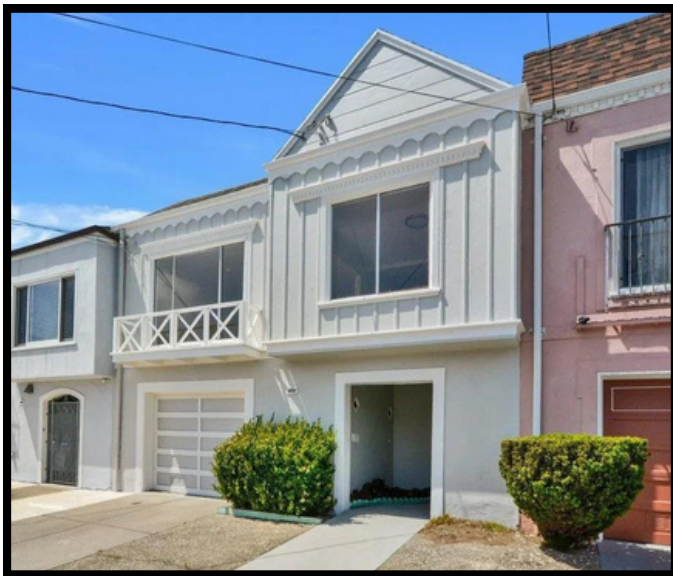
# CASE STUDY #1 SAN FRANCISCO



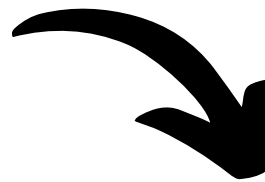
San Francisco has long been a magnet for real estate investors. The city boasts some of the nation's highest property valuations, making it an optimal location to capitalize on substantial equity. However, despite the lofty property prices, rental rates have not proportionally scaled, often rendering yields that don't justify the hefty investment. This disparity presents a golden opportunity. By leveraging the high selling prices of San Francisco properties through a 1031 exchange, investors can strategically relocate their capital to markets where rental returns are more commensurate with property values.

**3 beds x 2 baths  
Worth \$1,400,000**

\*Statistics based on  
Rentometer.com



**San Francisco, CA  
Rental Income: \$4,700\***



**8 unit multifamily  
Worth \$1,400,000**



**Sacramento, CA  
Rental Income: \$12,450\***



# CASE STUDY #2 SAN JOSE



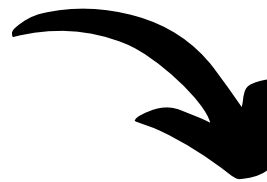
Nestled in the heart of Silicon Valley, San Jose stands as a testament to technological advancement and continuous growth. With dizzying real estate valuations, the city undeniably holds significant investment allure. Yet, an intriguing dynamic emerges: despite these escalating property values, rental yields sometimes lag, not matching the anticipated returns of the assets. By strategically selling San Jose properties and harnessing the benefits of the 1031 exchange, they can adeptly transfer their capital to areas that offer a more harmonious alignment between property valuation and rental income.

**4 beds x 2.5 baths  
Worth \$2,350,000**

\*Statistics based on  
Rentometer.com



**San Jose, CA  
Rental Income: \$5,400\***



**Luxe Quadplex  
Worth \$2,350,000**



**Denver, CO  
Rental Income: \$15,800\***



# CASE STUDY #3 SAN DIEGO



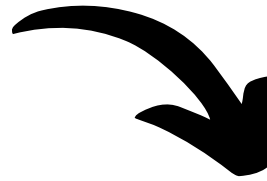
San Diego, famed for its pristine beaches, pleasant weather, and rich cultural tapestry, has consistently been a magnet for real estate enthusiasts. While the city's property values have consistently risen, mirroring its allure, there's a noticeable gap when it comes to proportional rental incomes. This discrepancy, for the discerning investor, opens the door to a strategic pivot. Liquidating assets in this coastal paradise and channeling the 1031 exchange mechanism allows for a smart redirection of capital. This strategy can lead to markets with a more congruous relationship between property costs and rental returns.

**4 beds x 2.5 baths  
Worth \$1,700,000**

\*Statistics based on  
Rentometer.com / Airbnb



**San Diego, CA  
Rental Income: \$5,200\***



**5-Unit Airbnb  
Worth \$1,700,000**

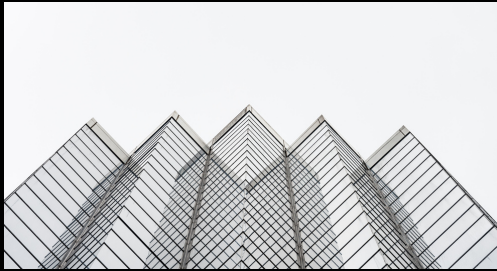


**Clearwater, FL  
Rental Income: \$16,600\***



# OUR COMPREHENSIVE SOLUTIONS

When navigating the intricate waters of a 1031 exchange, you need a partner who doesn't just understand real estate transactions, but comprehends the bigger picture of asset management and maximized returns. At Hardin Realty & Property Management, we pride ourselves on being more than just a realty firm; we are a comprehensive solution for property investors.



Our experience goes beyond the mere facilitation of buying and selling. We have an ingrained knowledge of California real estate markets, as well as strategic partnerships across the country's leading cashflow investment markets, making us uniquely positioned to help investors select the perfect "upleg" property.

## ASSET MANAGEMENT

Once you've secured your investment, our role doesn't end. With the dual capabilities of our core property management team and our esteemed sister company, WISHSTR, we offer unparalleled asset management options. Whether your strategy leans towards traditional rentals or you're looking to capitalize on the burgeoning market of furnished short-term rentals, our expertise stands unmatched. WISHSTR, with its proficiency in platforms like Airbnb and VRBO, ensures that investors can maximize returns in the dynamic short-term rental market, while our primary property management side brings decades of experience in long-term property stewardship.



# CLIENT FEEDBACK

Noah has absolutely been one of the best property managers I've worked with. Their staff and systems are in place to make the people feel safe, and ready to enjoy their stay. I HIGHLY recommend...



**Corrie B.**

Super responsive and indeed willing to take the necessary steps needed to keep their clients happy. I highly recommend their services.

Love working with Noah, one of the best property managers I have found. Highly recommend. As an agent I always feel comfortable referring my clients knowing that they will be in great hands.



**Jacob D.**



**Lyle K.**




# READY TO GET STARTED?

Get in touch with us to start your journey toward a better future.



## CONTACT

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