

Section 121/1031 with a Delaware Statutory Trust

<https://www.sequent-rewm.com/resources-dst-replacement-property-solution>

Relinquished Property Transaction:

Sale Price: \$2,000,000

Section 121: \$500,000

Loan: \$750,000

LTV: 50%

Cost Basis: \$100,000

Taxable Gain: \$1,400,000

1031 Exchange:

Amount need to replace: 1,500,000

Debt needed to replace: \$750,000

Cash in exchange:\$750,000

DST Replacement:

Class A Multifamily DST (1)

Cash: \$375,000

Non-Recourse Debt: \$375,000

Real Estate Replaced: \$750,000

Class A Multifamily DST (2)

Cash: \$375,000

Non-Recourse Debt: \$375,000

Real Estate Replaced: \$750,000

Total Real Estate Replaced: \$1,500,000

Let me know if you would like an introduction to the team that recently researched and arranged a similar scenario for a retired couple (CPA, 1031 Specialist, DST Specialist, and me).

We were able to save them nearly 500k in capital gain taxes and help them buy a replacement property with the FHA's H4P program. 50% down payment and no monthly loan payments for life.

They now have a newer one-level home.

No mortgage payment

Lower maintenance costs

More retirement income from the DST.

And they deferred ALL capital gain taxes.