

Table of Contents

Basic Rules	1
Overview	1
Exchanger	1
Qualifying property	2
Property must be like-kind.....	3
Real property	3
Depreciable tangible personal property	5
Natural resources	5
Mixed-use property	5
Intent of property ownership.....	6
Safe harbor for mixed-use property	7
Holding period for property	9
Related party exchanges	10
Exchange terms	12
Exchange provisions.....	13
Simultaneous exchange	13
Deferred exchange.....	13
Safe harbor	18
Realized gain.....	22
Recognized gain	22
Boot.....	22
Reverse exchange.....	26
Exchange expenses	28
Basis and Depreciation	39
Depreciation of replacement property	41
Depreciation of excess basis	42
Depreciation of exchange basis.....	42
Electing out of the split basis rules.....	45

Additional Considerations	50
Improper §1031 promoters	50
Installment obligation	50
Deferred exchanges	51
Simultaneous exchanges	51
Depreciation recapture	53
Like-kind exchange and §121 exclusion	55
Multiple property exchange	56
Reporting Like-kind Exchanges	62
Form 8824	62
Comprehensive examples	64
Complete deferral	64
Partial deferral	69
Business use of home example	73
Change in use example	75
Appendix	80
Index	81