



1031 Exchange

VS

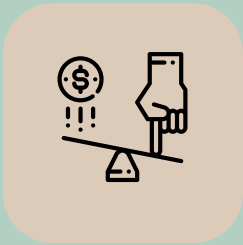
Paying Capital Gains Tax

Tax Deferral: No immediate tax payment; taxes are deferred, allowing you to reinvest the full amount into a new property.



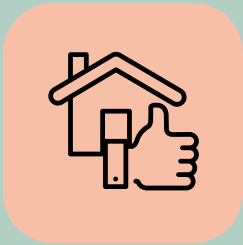
Immediate Taxation: Capital gains taxes must be paid immediately, reducing the funds available for reinvestment.

Increased Leverage: Reinvest the full amount, enabling the purchase of more valuable or diversified properties, accelerating portfolio growth.



Limited Growth: Taxes reduce your reinvestment capacity, slowing portfolio expansion and compounding.

Like-Kind Exchange: Flexibility to diversify into various property types (residential, commercial, etc.) while maintaining tax deferral.



No Flexibility: While you can sell and use proceeds however you wish, paying taxes limits the ability to reinvest and grow your portfolio.

Maximize Tax Savings: Tax-deferred status maximizes your investment's return over time, allowing your assets to appreciate without losing capital to taxes.



Significant Tax Payment: Pay capital gains tax on the profit immediately, which can be a substantial amount and slow long-term growth.

Stepped-Up Basis for Heirs: Upon passing, heirs inherit the property at its fair market value, effectively avoiding capital gains taxes.



No Estate Benefit: Your heirs will have to pay capital gains tax on the profit when they sell the property.

Preserve Wealth for Long-Term Growth: 1031 exchanges allow for continuous tax deferral, maximizing long-term wealth accumulation and compounding.



Short-Term Tax Burden: Capital gains taxes reduce the value of your investment, creating a short-term tax burden instead of long-term wealth-building.



SUNWEST
1031 Exchanges