



Marcus & Millichap
THE FOTIS GROUP

THE INDUSTRY LEADER
IN 1031 EXCHANGES

ADVISORY SERVICES

1031 EXCHANGES

Marcus & Millichap, the largest real estate firm focused exclusively on investment brokerage, is one of the industry's leaders in 1031 exchanges. Our long-term relationships with owners and investors of every major property type allow us to match properties and exchange buyers with speed and efficiency.

Leveraging The Market

Owners of investment property struggle with the dilemma of how to take advantage of built-up equity in their income-producing properties and increase their return on equity while deferring payment of capital gains taxes. The current market environment encourages private investors to upgrade or reposition their real estate holdings.

Benefits of a 1031 Exchange

With proper guidance from a tax professional or attorney, well-informed investors are utilizing the 1031 provision in the Internal Revenue Code, also known as a Starker exchange, to meet the dual objectives of “trading up” to larger or higher-quality properties, while at the same time deferring capital gains taxes. Some investors, especially aging baby boomers, are trading into properties that are less management intensive.

Knowing The Basics

While there are three basic types of exchanges—simultaneous, reverse and deferred—95 percent are deferred. When selling an investment property, the code allows a seller 45 days from the close of escrow of the relinquished property (the “down leg”) to identify up to three replacement properties (the “up leg”), and an additional 135 days to close escrow on at least one of the identified properties. Alternatively, more properties can be designated if certain valuation tests are met. The seller must contract with a neutral third party, known as a qualified intermediary or accommodator, to hold the funds from the sale of the relinquished property and to purchase the replacement property for the seller's benefit. Completing this process allows sellers of real property held for investment purposes to delay or defer the payment of capital gains and recapture the depreciation tax benefit. Deviating from the process described above may result in tax consequences or costly penalties.

Make Informed Decisions

While 1031 exchanges have gained increasing popularity, each investor should evaluate their own situation and objectives. The first step is to have a qualified real estate agent evaluate your property to determine market value and then discuss the tax alternatives with your tax advisor. In some instances, it may be worth taking the cash and paying capital gains taxes, considering that interest rates remain historically low. On the other hand, an exchange may be the key to unlocking built-up equity and providing the opportunity to expand a portfolio and create greater wealth. The biggest mistake would be not to know your alternatives.

THE INDUSTRY LEADER IN 1031 EXCHANGES

2,539

1031 Exchange Transactions*

A 1031 exchange is a way to defer capital gains taxes by rolling the equity from the sale of one investment property into the purchase of another. Many clients seeking to increase their returns or reduce their management responsibilities opt for a 1031 exchange to achieve their investing goals.

Marcus & Millichap is the industry leader, executing more tax-deferred exchanges than any other firm, thanks to our vast inventory of exclusive listings and our culture of collaboration and information-sharing.

13,000+
Sales Transactions*

\$84.3B
Total Sales Volume*

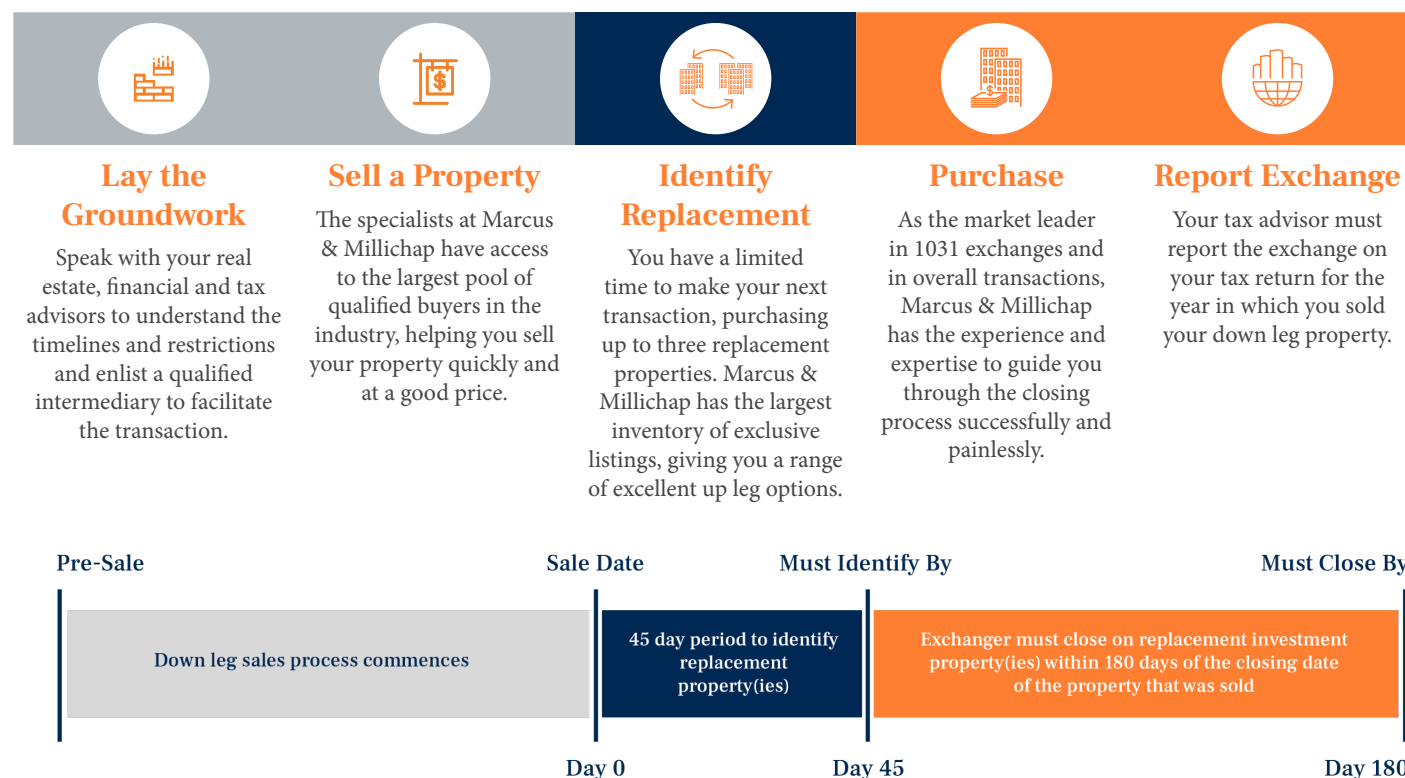
Nearly 2,500
Financing Transactions*

\$11.6B
Total Financing Volume*

**Based on 2021 Results*

Know the Basics

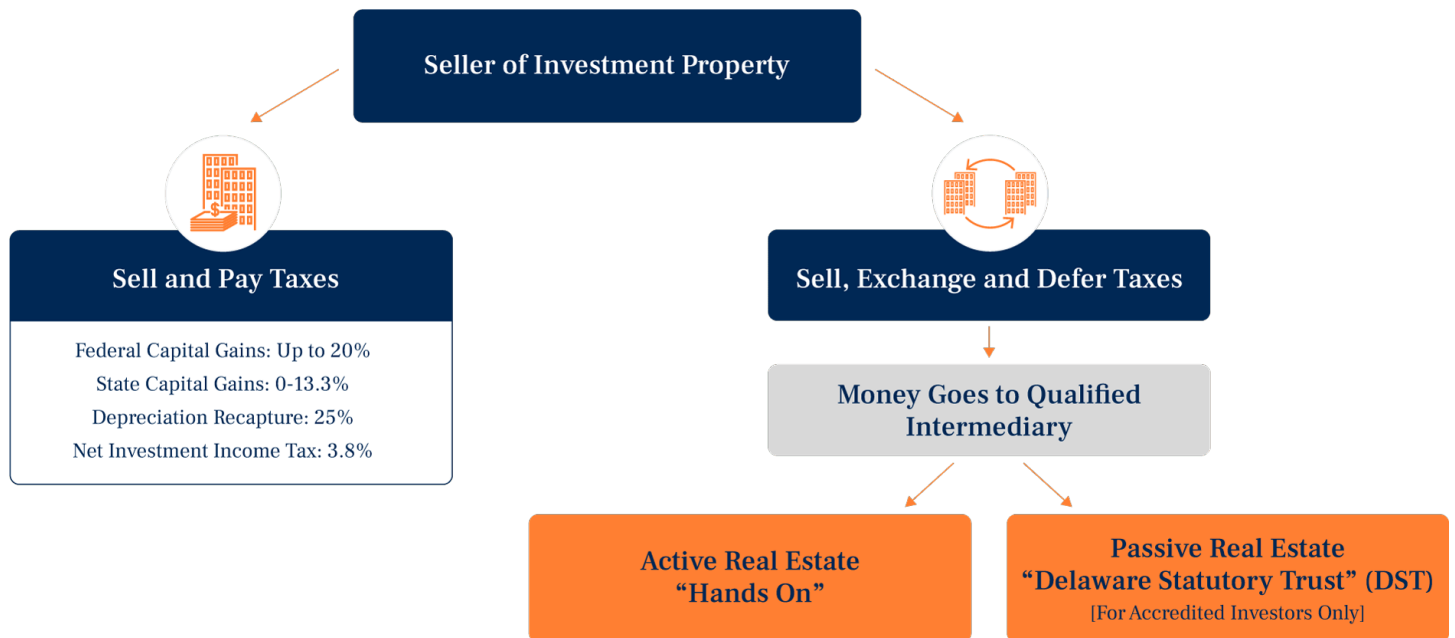
Instead of immediately paying capital gains on the sale of a property (the “down leg”), many investors prefer to defer that payment by purchasing a new property (the “up leg”) with the proceeds. This is commonly referred to as a 1031 exchange, in reference to the section of U.S. tax code that defines it. There are specific rules and timelines related to a 1031 exchange, and it is important to have an experienced and knowledgeable specialist handling the process.



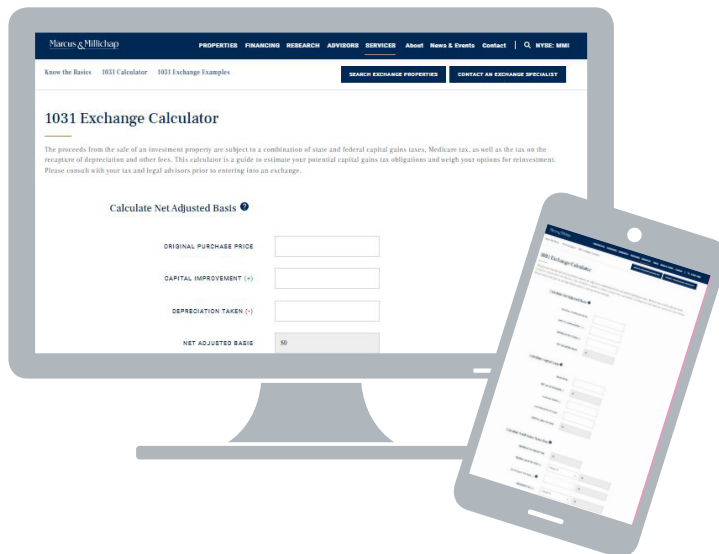
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IS AN EXCHANGE RIGHT FOR YOU?

While a 1031 exchange is the right decision for many investors, there are many rules and deadlines associated with it, and it's important to work with experienced specialists. Our highly trained advisors bring years of expertise to every transaction, helping you execute your 1031 exchange flawlessly.



A 1031 Exchange is not an "all or nothing" proposition. A seller of property may choose to pay taxes, find their own real estate and/or use a DST in a combination they choose.



[Click Here to View
Marcus & Millichap's
1031 Exchange Calculator](#)



**East 17th Street
Homecrest**

Sale Price: \$14,600,000
Net Operating Income: \$773,146

**Pay 37%
Capital
Gains Tax**

\$14,600,000
- \$5,827,256
\$8,772,744

**After Capital Gains
Tax Net Proceeds**

**1031
Exchange
Zero
Management**



Purchase Price: \$13,604,000
Net Operating Income: \$790,004



**East 16th Street
Park Slope**

Sale Price: \$8,000,000
Net Operating Income: \$379,922

**Pay 37%
Capital
Gains Tax**

\$8,000,000
- \$3,273,135
\$4,726,865

**After Capital Gains
Tax Net Proceeds**

**1031
Exchange
Zero
Management**



Purchase Price: \$7,125,000
Net Operating Income: \$381,951

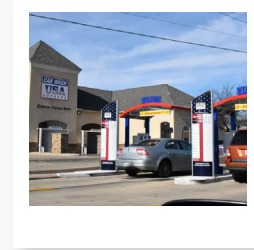


Pay 37%
Capital
Gains Tax

\$3,050,000
-\$1,767,109
\$1,282,891

After Capital Gains
Tax Net Proceeds

1031
Exchange
Zero
Management



**Huntington Street
Carroll Gardens**

Sale Price: \$3,050,000
Net Operating Income: \$108,433

Purchase Price: \$3,000,000
Net Operating Income: \$179,600



Pay 37%
Capital
Gains Tax

\$10,900,000
-\$3,762,610
\$6,547,040

After Capital Gains
Tax Net Proceeds

1031
Exchange
Zero
Management



**Avenue H
East Flatbush**

Sale Price: \$10,900,000
Net Operating Income: \$557,776

Purchase Price: \$11,925,000
Net Operating Income: \$650,235



**29th Street
Astoria**

Sale Price: \$16,750,000
Net Operating Income: \$758,409

Pay 37%
Capital
Gains Tax

\$16,750,000

- \$6,723,805

\$10,026,195

**After Capital Gains
Tax Net Proceeds**

**1031
Exchange
Zero
Management**



Purchase Price: \$15,870,307
Net Operating Income: \$823,198



**92nd Street
Elmhurst**

Sale Price: \$2,450,000
Net Operating Income: \$132,300

Pay 37%
Capital
Gains Tax

\$2,450,000

- \$1,016,280

\$1,433,720

**After Capital Gains
Tax Net Proceeds**

**1031
Exchange
Zero
Management**



Purchase Price: \$2,160,000
Net Operating Income: \$108,000



**Nostrand Street
Bedford-Stuyvesant**

Sale Price: \$2,000,000
Net Operating Income: \$98,250

Pay 37%
Capital
Gains Tax

\$2,000,000
- \$868,865
\$1,131,135

**After Capital Gains
Tax Net Proceeds**

**1031
Exchange
Zero
Management**



Purchase Price: \$2,020,000
Net Operating Income: \$130,413



**8th Avenue
Park Slope**

Sale Price: \$3,750,000
Net Operating Income: \$156,188

Pay 37%
Capital
Gains Tax

\$3,750,000
- \$1,522,322
\$2,227,678

**After Capital Gains
Tax Net Proceeds**

**1031
Exchange
Zero
Management**



Purchase Price: \$3,577,692
Net Operating Income: \$197,352



**Greene Street
SoHo**

Sale Price: \$10,400,000
Net Operating Income: \$365,994

Pay 37%
Capital
Gains Tax

\$10,400,000
- \$3,832,661
\$6,567,339

**After Capital Gains
Tax Net Proceeds**

**1031
Exchange
Zero
Management**



Purchase Price: \$9,573,406
Net Operating Income: \$618,432



**33rd Street
Astoria**

Sale Price: \$1,950,000
Net Operating Income: \$84,219

Pay 37%
Capital
Gains Tax

\$1,950,000
- \$1,011,141
\$948,859

**After Capital Gains
Tax Net Proceeds**

**1031
Exchange
Zero
Management**



Purchase Price: \$1,681,795
Net Operating Income: \$98,385



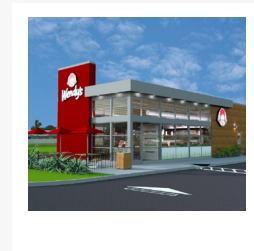
**Stone Street
Financial District**
Sale Price: \$5,818,750
Delivered Vacant

Pay 37%
Capital
Gains Tax

\$5,818,750
- \$3,139,116
\$2,679,634

**After Capital Gains
Tax Net Proceeds**

1031
Exchange
Zero
Management



Purchase Price: \$2,339,623
Net Operating Income: \$124,000



**Madison Avenue
Lenox Hill**
Sale Price: \$31,000,000
Price Per SF: \$4,133

Pay 37%
Capital
Gains Tax

\$31,000,000
- \$12,536,731
\$18,463,269
**After Capital Gains
Tax Net Proceeds**

1031
Exchange
Zero
Management



Purchase Price: \$28,027,285
Net Operating Income: \$1,515,748



**East 30th Street
Kips Bay**

Sale Price: \$6,500,000
Net Operating Income: \$308,418

**Pay 37%
Capital
Gains Tax**

\$6,500,000
- \$2,675,078
\$3,824,922

**After Capital Gains
Tax Net Proceeds**

**1031
Exchange
Zero
Management**



Purchase Price: \$5,759,168
Net Operating Income: \$395,243



**Bergen Street
Prospect Heights**

Sale Price: \$8,600,000
Net Operating Income: \$501,995

**Pay 37%
Capital
Gains Tax**

\$8,600,000
- \$3,458,034
\$5,141,966

**After Capital Gains
Tax Net Proceeds**

**1031
Exchange
Zero
Management**



Purchase Price: \$8,930,101
Net Operating Income: \$577,084



Northern Boulevard Flushing

Sale Price: \$13,750,000
Net Operating Income: \$574,905

Pay 37%
Capital
Gains Tax

\$13,750,000
- \$5,696,608
\$8,053,392

After Capital Gains
Tax Net Proceeds

1031
Exchange
Zero
Management



Purchase Price: \$12,700,000
Net Operating Income: \$695,348



East 83rd Street Yorkville

Sale Price: \$6,000,000
Net Operating Income: \$84,647

Pay 37%
Capital
Gains Tax

\$6,000,000
- \$3,725,404
\$2,274,596

After Capital Gains
Tax Net Proceeds

1031
Exchange
Zero
Management



Purchase Price: \$5,805,825
Net Operating Income: \$217,437



**Atlantic Avenue
Clinton Hill**
Sale Price: \$12,000,000

Pay 37%
Capital
Gains Tax

\$12,000,000
- \$4,971,899
\$7,028,101

**After Capital Gains
Tax Net Proceeds**

1031
Exchange
Zero
Management



**Purchase Price: \$11,526,000
Net Operating Income: \$580,426**



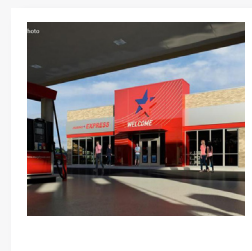
**East 2nd Street
Kensington**
Sale Price: \$4,300,000
Net Operating Income: \$178,852

Pay 37%
Capital
Gains Tax

\$4,300,000
- \$1,810,572
\$2,489,428

**After Capital Gains
Tax Net Proceeds**

1031
Exchange
Zero
Management



**Purchase Price: \$3,651,253
Net Operating Income: \$188,040**



**86th Street
Fort Hamilton**

Sale Price: \$7,800,000
Net Operating Income: \$192,000

Pay 37%
Capital
Gains Tax

\$7,800,000
- \$3,133,227
\$4,666,773

**After Capital Gains
Tax Net Proceeds**

1031
Exchange
Zero
Management



Purchase Price: \$7,209,520
Net Operating Income: \$360,533



**37th Street
Astoria**

Sale Price: \$2,475,000
Net Operating Income: \$50,916

Pay 37%
Capital
Gains Tax

\$2,475,000
- \$1,523,389
\$951,611

**After Capital Gains
Tax Net Proceeds**

1031
Exchange
Zero
Management



Purchase Price: \$2,109,100
Net Operating Income: \$61,487



**50th Street
Sunset Park**

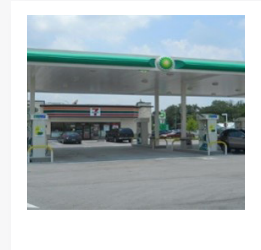
Sale Price: \$2,700,000
Net Operating Income: \$119,000

Pay 37%
Capital
Gains Tax

\$2,700,000
- \$1,137,789
\$1,562,211

**After Capital Gains
Tax Net Proceeds**

1031
Exchange
Zero
Management



Purchase Price: \$2,525,000
Net Operating Income: \$145,094



**32nd Street
Astoria**

Sale Price: \$3,200,000
Net Operating Income: \$127,843

Pay 37%
Capital
Gains Tax

\$3,200,000
- \$1,384,034
\$1,851,966

**After Capital Gains
Tax Net Proceeds**

1031
Exchange
Zero
Management



Purchase Price: \$2,907,325
Net Operating Income: \$174,440



Pay 37%
Capital
Gains Tax

\$10,100,000
- \$4,249,410
\$5,850,590

After Capital Gains
Tax Net Proceeds

1031
Exchange
Zero
Management



Purchase Price: \$9,247,000
Net Operating Income: \$485,468

University Place
Greenwich Village

Sale Price: \$10,100,000
Net Operating Income: \$266,081

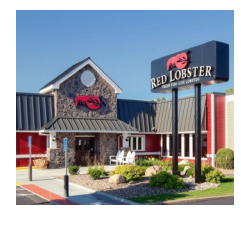


Pay 37%
Capital
Gains Tax

\$2,925,000
- \$964,543
\$1,960,457

After Capital Gains
Tax Net Proceeds

1031
Exchange
Zero
Management



Purchase Price: \$2,514,508
Net Operating Income: \$148,536

Lincoln Road
Prospect Lefferts Garden

Sale Price: \$2,925,000
Net Operating Income: \$113,930



**East 23rd Street
Flatbush**

Sale Price: \$3,950,000
Net Operating Income: \$177,388

**Pay 37%
Capital
Gains Tax**

\$3,950,000
- \$1,303,038
\$2,646,962

**After Capital Gains
Tax Net Proceeds**

**1031
Exchange
Zero
Management**



Purchase Price: \$4,645,000
Net Operating Income: \$274,055



**East 3rd Street
East Village**

Sale Price: \$11,500,000
Net Operating Income: \$0

**Pay 37%
Capital
Gains Tax**

\$11,500,000
- \$3,796,345
\$7,703,655

**After Capital Gains
Tax Net Proceeds**

**1031
Exchange
Zero
Management**



Purchase Price: \$10,000,000
Net Operating Income: \$750,000



5th Avenue
Park Slope

Sale Price: \$8,300,000
Net Operating Income: \$354,323

Pay 37%
Capital
Gains Tax

\$8,300,000
-\$2,956,713
\$4,721,737

After Capital Gains
Tax Net Proceeds

1031
Exchange
Zero
Management



Purchase Price: \$8,278,000
Net Operating Income: \$450,770

Marcus & Millichap

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