

## 1031 Exchanges – Like kind property

A common misconception about 1031 exchanges in real estate is that “like kind” requires the exchange of the same “type” of real estate – a warehouse must be replaced with another warehouse, timbered ground for timbered ground, and so on.

But this is NOT correct. If you sell farmland, then your choice of replacement property is not limited only to farmland to satisfy the “like kind” requirement to qualify as a 1031 exchange.

For example, productive farmland in Illinois may be exchanged for a beach house in Florida so long as the house is intended to be held for investment purposes.

In fact, many different types of real estate qualify as like kind property for 1031 tax deferral treatment including traditional types such as vacant land, apartments, office buildings, manufacturing plants and commercial retail properties like shopping centers, retail strip centers and quick service restaurants, and less common types like property leased for underground storage, wind turbines, solar panels or communication towers, wetland reserve program easements and partial tenant in common interests created for the purpose of qualifying as replacement property. Any of these property types may be exchanged for any one or more of the others.

If you would like to sell your existing farm land or other real estate and replace it, we can assist you in determining whether your desired replacement property qualifies as like kind property and in structuring the sale and purchase in a manner that qualifies for tax deferred treatment under IRC Section 1031.



**Kevin Vick** is a Shareholder of Greensfelder, Hemker & Gale, P.C. located in its Southern Illinois office. For over 30 years, he has represented clients across the country in the sale, acquisition, development, construction, financing and leasing of real estate including many forward, reverse and simultaneous 1031 exchanges of different types of like kind real estate. He also assists developers in obtaining land use approvals and municipal incentives, business owners in the sale and acquisition of businesses and lenders in documenting loans for real estate developments, business acquisitions and other credit facilities. He can be reached at 618.239.3613 or [lkv@greensfelder.com](mailto:lkv@greensfelder.com).

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