

Reverse Improvement Structure

Structuring Complex Exchanges

1031

Knowledge



A number of qualified intermediary companies offer parking arrangement transactions (improvement, reverse, and reverse/improvement exchanges). However, the structure varies from company to company. What differentiates Asset Preservation's approach to facilitating parking arrangement transactions?

Quite simply, Asset Preservation offers the *best exchange structure* and *most qualified professionals* to facilitate these very unique and complex exchange transactions. *Asset Preservation's improvement and reverse exchange services are very different and substantially more thorough.*

WHAT ARE THE DIFFERENCES?

Our structure offers one of the most sophisticated and secure ways of facilitating exchanges when the qualified intermediary must hold title to real estate. Asset Preservation sets up a new and separate LLC (Limited Liability Company) to hold real property for the benefit of each taxpayer who has our professional parking arrangement services.

Many qualified intermediary companies have a separate exchange holding company in which they hold many properties for many different taxpayers often at the same time. What is the problem with this approach? A chief disadvantage is that each individual taxpayer's transaction can be jeopardized by an issue or lien attached to the corporation, which can be the problem with another taxpayer's property. Yes, this format is much easier for the qualified intermediary, but unfortunately, it leaves each taxpayer in a much more precarious and risky position during their entire exchange period.

QUESTIONS TO ASK A QUALIFIED INTERMEDIARY

1. Do you create a separate LLC for every taxpayer who wants to perform a parking arrangement transaction? (If not, are you aware that a lien or problem with another taxpayer's transaction can affect my property as well?)
2. How do you handle the management of the parked property during the exchange period? (What is the best method of delineating the responsibilities of the respective parties?)
3. What type of assurance or guarantee will you provide the taxpayer, in writing, regarding the security of the exchange proceeds or parked property while they are in the possession of the qualified intermediary during the exchange period? (Is this assurance backed by an established and nationally-recognized parent company?)
4. Do you have a specialized staff specifically dedicated to handling complicated parking arrangement exchanges? (If yes, how many successful parking arrangement exchanges has the company handled?)

Compliments of:



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