



1031 Exchange Deadlines and Due Dates: Everything Investors Need to Know About Timelines

By
William L. Exeter
Chief Executive Officer
Exeter 1031 Exchange Services, LLC
Exeter Trust Company



Real estate investors rely heavily on structuring 1031 exchange transactions to defer the payment of taxes on the sale of real property held for rental, investment or business use. This allows them to build long-term wealth. By reinvesting the net proceeds from the sale of a relinquished property into one or more replacement properties through the 1031 exchange process, investors can keep their original equity working for them because they avoid paying any federal, and in most cases state, capital gain, depreciation recapture, and net investment income taxes.

Strict, Uncompromising Timeline

However, the Internal Revenue Services (IRS) enforces a strict, uncompromising timeline to qualify for these significant tax deferral benefits. The successful completion of a 1031 exchange transaction requires investors, sometimes referred to as exchangers, to comply with certain [deadlines and due dates](#). Meeting these deadlines is absolutely critical to ensure the 1031 exchange transaction will qualify for tax-deferred exchange treatment under Section 1031 of the Internal Revenue Code and Section 1.1031 of the Treasury Regulations.

Missing either of these 1031 exchange due dates will result in a failed tax-deferred exchange transaction and the recognition of the taxable gains associated with the sale of the subject relinquished property. The process demands meticulous planning and timing, expert coordination, and precise execution.

This post provides a detailed breakdown of the critical 1031 exchange deadlines, how to calculate them accurately, and proven strategies to protect the investor's tax deferred status. Investors will learn the specific rules governing the 45-day and 180-day exchange periods, the severe consequences of missing them, and the rare exceptions allowed by the IRS.

Defining the 1031 Exchange Deadlines

A successful 1031 exchange operates on a very rigid timeline. The IRS mandates two (2) very specific timelines that run concurrently to each other. These timelines or deadlines begin the moment the sale of the relinquished property closes (it is critical to have the 1031 exchange set-up and all exchange documents executed prior to closing on the sale of the relinquished property).

The 45-Calendar Day Identification Period

The first critical milestone in a 1031 exchange transaction is the identification period. Investors have exactly 45-calendar days following the closing of the sale of their relinquished property to formally identify one or more potential replacement properties. Investors must submit this [identification of replacement property notice](#) in writing, clearly describing the real estate they are identifying using an unambiguous description, such as a common street address, assessor's parcel number, legal description or a metes and bounds description.

The ID notice must be signed by the investor and should be delivered to the qualified intermediary, sometimes referred to as the accommodator or facilitator, no later than midnight of the 45th calendar day due date. For



example, if the sale of the relinquished property closed on October 31st, the first day of the 45 calendar day identification period would be the day after—or November 1st—and the 45 calendar day identification deadline would be December 15th.

The 180-Calendar Day Exchange Period

The second critical deadline is the 1031 exchange period. Investors have exactly 180-calendar days after the sale of their relinquished property closes to acquire one or more of their formally identified replacement properties. Their 1031 exchange transaction must close and be completed, and they must obtain ownership of all the new replacement properties, before the end of the 180-calendar day exchange period.

It is important to note that the 180-day exchange period runs concurrently with the 45-day ID period. Investors have 45 calendar days to identify one or more replacement properties and an additional 135 calendar days to complete their 1031 exchange for a total of 180-calendar days. They do not get 45-days plus 180-days; the entire process from the initial sale to the final purchase must be completed within a maximum of 180-calendar days from the date the sale of their first relinquished property closed.

Calculating 1031 Exchange Due Dates

Understanding exactly how to count the days in a 1031 exchange transaction will prevent catastrophic mistakes. The IRS calculates both exchange deadlines using strict calendar days, not business days. The day the sale of the relinquished property closes and transfers to the buyer is considered "Day Zero." Day 1 of the exchange timelines is the very next calendar day. From there, count exactly 45 calendar days for the identification period and 180 calendar days for the exchange period.

No Deadline Extensions Provided

There are absolutely no extensions for weekends or legal holidays. If the investor's 45- or 180-calendar day due date falls on a Saturday, Sunday, or federal holiday, the exchange deadline remains firmly on that exact day. Investors must ensure their qualified intermediary receives the properly completed and executed identification of replacement property documents no later than midnight on that specific calendar date. Because banks, lenders, title insurance companies, escrow companies and most qualified intermediaries do not operate on weekends or holidays, a deadline falling on a non-business day essentially forces the investor to complete their tasks early to meet the deadlines.

1031 Exchange Specialists Available Anytime – Day or Night

However, Exeter 1031 Exchange Services, LLC (Exeter1031™) is a qualified intermediary and provides investors access to its [1031 exchange specialists](#) any time – day or night – 24/7/365.

The Challenges and Risks of Strict Deadlines

Navigating a 1031 exchange transaction presents significant challenges and hurdles, primarily due to these uncompromising exchange timelines. Investors face several specific risks that can jeopardize their tax-deferred exchange status.

Logistical and Market Hurdles

Finding high-quality, suitable replacement property to identify within a mere 45 calendar days is highly stressful, especially in highly competitive real estate markets. Inventory shortages often force investors to identify replacement properties quickly, sometimes before completing thorough due diligence. If the investor's identified replacement properties fall through after the 45th calendar day deadline due to things like inspection issues or financing failures, they cannot identify new replacement properties. The 1031 exchange will fail.

Transaction Coordination Missteps

Closing a commercial or residential real property transaction involves many moving parts. Legal title issues, lending delays, surveys, environmental reports, appraisals, and uncooperative sellers can quickly wipe out the 180-



calendar day exchange window. If the closing date goes past the 180-calendar day exchange deadline, the sale of the relinquished property will no longer qualify for tax-deferred exchange treatment. It will be reported as a taxable sale in the year the relinquished property was sold.

What Happens if a 1031 Exchange Deadline is Missed?

The IRS offers no leniency for missed 1031 exchange deadlines. Failure to identify replacement properties by day 45, or failure to finish the 1031 exchange by day 180, will result in a [failed 1031 exchange](#). The sale of the relinquished property will be reported as a taxable sale.

The tax consequences of a failed 1031 exchange are purely financial but extremely severe. A failed 1031 exchange triggers the taxable gains from the sale of the relinquished property. Federal capital gains tax, state capital gains tax, depreciation recapture tax, and potentially the net investment income tax will be due. Depending on the state of residence and the investors' income tax bracket, these taxes can consume up to 30% to 40% of their total profits or gains. Missing a deadline fundamentally transforms a strategic wealth-building maneuver into an immediate, heavy tax burden.

Can 1031 Exchange Deadlines Be Circumvented?

Many investors ask if they can circumvent or extend these deadlines. Under normal circumstances, the answer is a definitive no. There is no form to file to simply ask the IRS for more time because a suitable replacement property could not be identified, because the lender delayed the closing, or because there were health challenges.

The act of altering, changing, amending, swapping or backdating an identification of replacement property form for any reason after the 45-calendar day identification deadline has passed is tax fraud. Investors and their advisors are wise to avoid any qualified intermediary (or any other party) that engages, permits, suggests or encourages any such illegal practice. However, specific exceptions and strategic management techniques exist.

Natural Disaster Declarations

The IRS allows timeline extensions only under very specific, catastrophic conditions. If the President declares a federal disaster area (such as following a major hurricane, wildfire, or flood), the IRS may issue a disaster relief notice extending tax deadlines, including those for 1031 exchange transactions. If the investor, their relinquished property, their replacement property or their tax advisor are located in the affected area, they may qualify for an extension of time for the 45-day or 180-day exchange deadlines. Investors must rely on official IRS revenue procedures (specifically Rev. Proc. 2018-58, as amended or supplemented) to apply this extension correctly.

Managing Tax Return Due Dates

A critical, often misunderstood rule dictates that the 180-calendar day exchange period actually expires on the 180th day or the due date of the investor's federal income tax return, including extensions, for the year in which the sale of the relinquished property closed, whichever comes first.

This means that if the sale of the relinquished property closes on or after October 17th and on or before December 31st the tax return due date for most individual taxpayers is April 15th, which is before the 180-calendar day exchange period expires. To take advantage of the full 180-calendar day exchange period, investors must file an extension of time to file their tax return (Form 4868). Filing this extension delays the tax filing deadline, allowing the investor to use the complete 180-calendar day exchange period permitted by Section 1031 of the IRC.

1031 exchange transactions are reported on the investor's income tax return for the year in which the sale of the relinquished property closes and not the year in which the replacement property is acquired. Tax preparers will complete and file IRS Form 8824 with the investor's income tax return to properly report the 1031 exchange.

Strategies for Managing Tight 1031 Exchange Deadlines

To navigate these strict rules safely, investors must employ proactive strategies:



Plan Early: Begin searching for replacement properties long before the sale of the relinquished property closes. Investors can negotiate, enter into letters of intent or purchase and sale agreements, and open escrow or title orders for their replacement properties. The contracts can be contingent upon the successful closing of the sale of their relinquished property. Investors may also approach and negotiate with the buyer of their relinquished property for an extended closing period or an extension of time to close the transaction to provide the seller with more time to locate and identify suitable replacement properties. The 45-calendar day identification deadline and the 180-calendar day exchange period do not start running until the sale of the relinquished property closes.

Identify Multiple Options: Use the IRS [identification of replacement property rules](#) strategically. The three-property ID rule allows investors to identify up to three potential replacement properties regardless of their fair market value. The 200% of fair market value ID rule allows investors to identify as many properties as they want up to 200% of the value of the gross sale price of their relinquished property. Identifying backup properties protects investors if their primary choice falls through.

Work with Experts: Select one of the safest and most secure qualified intermediaries in the industry – Exeter 1031 Exchange Services, LLC (Exeter1031™). The 1031 exchange qualified intermediary industry has no licensing or regulatory oversight capabilities. Investors must ensure they choose a qualified intermediary that has some form of licensing and regulatory oversight by a government agency, transparent accounting, and exceptional advisory support. Exeter1031™ is one of the few qualified intermediaries that has any form of licensing or regulatory oversight. An expert team like Exeter 1031 Exchange Services, LLC ensures documents are flawless and the timeline is tracked precisely.

Conclusion and Actionable Advice

Successfully executing a 1031 exchange requires strict adherence to IRS rules and a precise understanding of the deadlines and due dates. The 45-calendar day identification period and the 180-calendar day exchange period are rigid, unforgiving timelines that demand investors' complete attention.

To protect your wealth and guarantee compliance, investors should start their replacement property search early and surround themselves with experienced professionals. Engage a trustworthy, highly regulated qualified intermediary, and set up the 1031 exchange before the sale of the relinquished property closes. Map out the exact calendar due dates, accounting for holidays and weekends, and file an extension of time to file the tax return if the transaction crosses into a new tax year. By planning meticulously and partnering with reliable experts, investors can navigate these deadlines securely and maximize the powerful benefits of the 1031 tax deferred exchange.

Help is Always Available

Exeter1031™ is always available to assist investors in navigating through these 1031 exchange deadlines and due dates. Investors and their advisors can contact our 1031 exchange specialists at any of our [regional office locations](#) for assistance. Our 1031 specialists are available any time – day or night – to answer questions.