



How to Report a Reverse 1031 Exchange on IRS Form 8824

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If you've completed a [reverse 1031 exchange](#) and are now facing tax filing season, understanding how to report the transaction correctly on Internal Revenue Service (IRS) Form 8824 is critical. An error in reporting — particularly around dates — can jeopardize your tax deferral and trigger significant tax liability. This article provides a clear, factual overview of what you need to know.

What Is a Reverse 1031 Exchange?

Before addressing IRS Form 8824 reporting, it's worth clarifying a common misconception. A true "[reverse 1031 exchange](#)" — where you receive ownership to a like-kind replacement property and subsequently sell and convey title to the relinquished property as a single transaction — does not technically exist.

What does exist is a structured tax-deferred exchange authorized under Revenue Procedure 2000-37. This framework allows investors to acquire replacement property first and dispose of relinquished property second, using a specific mechanism known as a [parking arrangement](#). Understanding this distinction is not just semantic — it directly shapes how you report the transaction.

The overall transactional structure is best understood as two distinct components:

- [The Parking Arrangement](#) — An exchange accommodation titleholder (EAT), such as Exeter Asset Services Corporation, acquires and holds or “parks” legal title to one of the properties on behalf of the taxpayer. This prevents the real estate investor from simultaneously holding title to (owning) both the relinquished property and the replacement property, which is not permitted under IRS guidelines.
- [The Simultaneous 1031 Exchange](#) — A concurrent, like-kind exchange that takes place either at the beginning or end of the overall reverse 1031 transaction structure.

Two Structures, Two Sets of Dates

There are two ways a [reverse exchange](#) can be structured, and each carries distinct implications for Form 8824 reporting.

Exchange Last (Preferred Structure)

The concurrent 1031 exchange occurs at the back end. The EAT acquires, holds or “parks” legal title to the replacement property. When the investor subsequently sells the relinquished property to a buyer, the EAT wraps up the reverse exchange and transfers the parked replacement property to the investor. This is the most common and investor-favorable structure.

Exchange First (Less Common)

The simultaneous 1031 exchange occurs upfront. The investor acquires the replacement property directly from the seller while simultaneously conveying the relinquished property to the EAT, which holds or parks it until a third-party buyer is secured.



How to Report on IRS Form 8824 for 2025

Because the heart of the transaction is the simultaneous exchange — not the parking arrangement — IRS Form 8824 should reflect the dates of that concurrent exchange, not the date the EAT initially acquired the parked property. The reverse exchange transaction is reportable in the year the sale of the relinquished property closes.

Here is how to apply the correct dates depending on your structure:

- Exchange Last: Use the date the investor conveys the relinquished property to the buyer and the EAT conveys the replacement property to the investor.
- Exchange First: Use the date the investor conveys the relinquished property to the EAT and the seller conveys title to the replacement property to the investor.

Key Deadlines to Keep in Mind

Internal Revenue Services (IRS) Revenue Procedure 2000-37 imposes strict, non-extendable deadlines that govern the entire reverse exchange structure:

- 45 Calendar Days: From the date the EAT acquires the parked property, the investor has exactly 45 days to formally identify, in writing, one or more relinquished properties to be sold.
- 180 Calendar Days: The entire reverse exchange — including the transfer of the relinquished property to a buyer and the transfer of the replacement property to the investor — must be completed within 180 calendar days from the date the EAT took title to the parked property.

Failure to meet either deadline disqualifies the exchange entirely, resulting in immediate recognition of taxable gain.

Work With a Best Practices Qualified Intermediary

Reverse 1031 exchanges are among the most technically complex transactions in real estate tax planning. Accurate IRS Form 8824 reporting depends entirely on how the transaction is structured from the outset — which is why working with an experienced, best practices qualified intermediary (QI) and exchange accommodation titleholder (EAT) is essential.

Exeter 1031 Exchange Services, LLC and Exeter Asset Services Corporation have administered thousands of 1031 exchange transactions, including complex reverse exchange structures, across all 50 states. As one of the few qualified intermediaries with any kind of regulatory oversight — licensed, regulated, and audited by the Wyoming Division of Banking through Exeter Trust Company — Exeter provides the institutional security, technical expertise, and consultative support your transaction requires.

If you have questions about structuring or reporting your reverse 1031 exchange, contact the [1031 specialists](#) at Exeter 1031 Exchange Services, LLC. We are here to help ensure your transaction is structured correctly, reported accurately, and fully compliant with IRS requirements.