



1031 Exchanges and Net Lease Investment Acquisitions

Many clients come to Federman as first-time buyers of net leased assets to avail themselves of the tax deferral benefits of so-called “like kind” exchanges pursuant to Section 1031 of the Internal Revenue Code. These clients have often sold management intensive, legacy real estate assets and are seeking to transition into ownership of a portfolio of management-free real estate that is diverse in terms of geography and industry. They are unfamiliar with the asset class and have little, if any, experience with 1031 exchanges. Such clients rely heavily upon Federman to explain each element of the exchange and analyze each facet of the net lease structure. With over two decades of participation in this area (beginning when the intersection between the net lease market and tax deferred exchanges was in its infancy), Federman has developed a select team of senior level legal professionals that specialize in the sale, purchase and recapitalization of single tenant net leased properties throughout the United States. Through many years of participation in these areas, our lawyers have developed an unmatched expertise in the requirements for completing Section 1031 tax-deferred exchanges. Federman has closed thousands of 1031 tax-deferred exchanges and is at the forefront of “drop and swap” and “swap and drop” strategies that afford our clients the flexibility to independently pursue investment goals separate from our clients’ long-term investment partners. In many instances our clients did not choose their partners (e.g., in the case of cousins whose parents were partners or in the case of children or grandchildren of a company’s founders and original investors) and from which our clients may have differing investment horizons or objectives.

Federman is widely known among the most active brokers, lenders and lawyers in the space as the “go to” law firm for all things net lease.

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