

# THE ADVANTAGE

o p p o r t u n i t y

## IRA ADVANTAGE

self-directed IRA navigation

## EQUITY ADVANTAGE

resourceful 1031 navigation

**DID YOU KNOW** it is possible to have a gain on the sale of a property even in a short sale or foreclosure? Yes, on the disposition of an investment property an investor can realize a gain and therefore have tax exposure even when losing all equity in a property. Gain is simply the adjusted sales price minus the basis in a property. In a foreclosure the debt on the property is considered to be the sales price. Therefore, if the debt is greater than the basis an investor will realize a gain even when losing the property and any equity in foreclosure!

When working with a potential seller of investment property, even in a hardship situation your ability to present all opportunities may not only lead to a listing but most importantly a happy client. This “phantom” gain scenario has snuck up on more than one unfortunate seller, a 1031 exchange can eliminate any such tax exposure.

A 1031 can truly be a lifesaver for an investor who has the financial ability to acquire a replacement property. Imagine a property has a basis of \$200k and debt of \$500k, the sales price for tax purposes would be \$500k which yields a gain of \$300k. The tax due could be as much as \$100k or an exchange could be structured using the \$100k towards a replacement property.

**Call Equity Advantage today** to help your client out of this difficult and complicated situation. We have the solutions!

**503.635.1031**



David & Thomas Moore, founders of Equity Advantage & IRA Advantage

### The Advantage

*Created in 1991 to be a 1031 Exchange resource to the real estate industry. Today we offer solutions for investors whether contemplating a sale, working through an exchange and now considering the use of their IRA for investments such as real estate, notes, options and more.*

*Our companies offer the opportunities and solutions that enable investors to reach their objective. It's not the deal... It's our client's destination that matters to us.*

EQUITY ADVANTAGE / IRA ADVANTAGE • ONE CENTERPOINTE DRIVE, SUITE 300

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