

Kingsbarn Case Study: Heidi's 1031 Exchange

In 1971, Heidi and her husband, Bud, purchased two apartment properties in Long Beach, California for a combined purchase price of \$1,100,000. In September of 2019, Heidi sold the properties through her real estate broker for just over \$14 million.

Her reason for finally selling was that she no longer wanted to manage her properties at the age of 90; she wanted diversification. She was also hoping to improve her after-tax cash flow. While Heidi's apartment properties were in escrow, the broker who sold her properties introduced her to Kingsbarn Real Estate Capital.

In October of 2019, Heidi completed a 1031 exchange utilizing her sales proceeds. She invested her \$14 million with Kingsbarn and now owns DST interests in various properties across multiple states.

For Heidi, and her broker, it was mission accomplished: She completed her 1031 exchange; she now has management-free property income; she owns interests in 9 DSTs—spread out geographically—and Heidi's after-tax income increased by more than 20%. Her broker earned more than \$500,000 on the transaction. Since 2020, Heidi has invested an additional \$4.4 million with Kingsbarn.



- Investor
- 90 years old
- No longer wanted active management
- Sold 2 apartments for \$14,000,000
- Cost basis: \$1,000,000



PROBLEMS SOLVED

- Diversified her portfolio geographically and by asset class
- Now has monthly passive income
- Her after-tax income increased by more than 20%

HEIDI'S DIVERSIFIED PORTFOLIO

(includes various DST property types across multiple states)



Property Type: Office
Location: Albuquerque, NM
Annual Cash Flow: 8.00%



Property Type: Medical
Location: Eugene, OR
Annual Cash Flow: 6.02%



Property Type: Office
Location: Albuquerque, NM
Annual Cash Flow: 7.25%



Property Type: Office
Location: San Bernardino, CA
Annual Cash Flow: 6.25%



Property Type: Office
Location: Foothill Ranch, CA
Annual Cash Flow: 6.00%



Property Type: Medical
Multiple Locations in Texas
Annual Cash Flow: 6.25%



Property Type: Office
Location: Roseville, CA
Annual Cash Flow: 6.00%



Property Type: Office
Location: Roseville, CA
Annual Cash Flow: 7.82%



Property Type: Office
Location: Roseville, CA
Annual Cash Flow: 7.82%

Total Portfolio Value: **\$18,619,032**

Annual Cash Flow: **\$1,018,897***

Portfolio Cash Flow (%): **5.47%***

*as of 4/23

\$13M
CAPITAL
GAIN