

# Investing with a 1031 Exchange

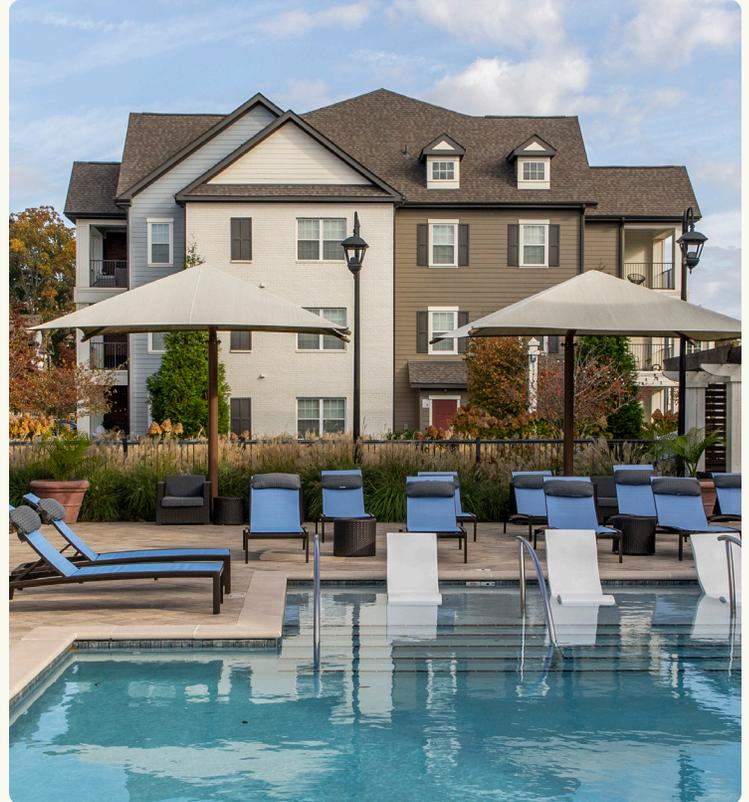


## Defer Taxes to Build Passive Wealth

Managing real estate investments requires time and effort. However, by investing with Hamilton Zanze through a 1031 exchange, owners can realize tax-efficient returns without having to find, buy, and manage properties on their own. As a proven multifamily real estate sponsor, we provide 1031 exchange solutions to create a passive, turn-key investment experience.

## Benefits of a 1031 Exchange

- Defers capital gains taxes by reinvesting proceeds in another income-producing property
- Enhances diversification by allowing reinvestment into multiple properties across different markets
- Turns active real estate investments into passive income, with you investing directly alongside Hamilton Zanze
- Can facilitate an increase in investor basis, and thus depreciation, to avoid capital gains taxes



Springfield Apartments (Murfreesboro, TN)

## Move from Active Property Management to Receiving Passive Income



### High-Effort Active Management

- ✗ Little (or no) debt; no depreciation
- ✗ Exposure to local regulations and limited geographic diversification
- ✗ Burdensome, hands-on property management
- ✗ Low cash flow relative to appreciated equity



### Low-Effort Passive Income

- ✓ Ability to reset debt and depreciation
- ✓ Greater investment diversification in business-friendly growth markets
- ✓ Professional property management
- ✓ Balance of stable and predictable cash flow and appreciation – putting full equity value to work



# Investing with a 1031 Exchange



## Delivering Impact and Results

We have a strong track record of providing tax-efficient distributions for investors for more than 25 years.

Individual 1031 Exchanges with  
HZ in 2022- 2024

**378**

Transaction Volume  
Since Inception

**\$12.9<sup>B</sup>**

Average Gross Project IRR<sup>1</sup>  
Since Inception

**13.12%**

Data as of Q3 2025.

## Dedicated Support from 1031 Exchange Experts

Our team personally walks you through the 1031 exchange process so there are no surprises and you can invest with confidence.

**STEP  
1**

Contact us early in your sale process to understand how a 1031 exchange can help you achieve your goals.

**STEP  
3**

Review and select your curated reinvestment options with Hamilton Zanze.

**STEP  
2**

Sell your investment property and send proceeds to a third-party accommodator.

**STEP  
4**

You're done — enjoy the benefits of your passive real estate investment.

## Contact Us

[investorrelations@hamiltonzanze.com](mailto:investorrelations@hamiltonzanze.com) | 415.561.6800 | [hamiltonzanze.com/1031-exchange](https://hamiltonzanze.com/1031-exchange)

<sup>1</sup>Equity-weighted average realized project IRR (sold deals only). Internal rate of return (IRR) is a metric that tells investors the average annual return they have either realized or can expect to realize from a real estate investment over time, expressed as a percentage.

The information contained herein is prepared for general informational purposes only and is not intended as market, legal, tax, accounting, or financial advice or an offer, solicitation, or recommendation to buy or sell real estate or securities or to engage in any specific transaction. Individuals should consult their own professional advisers before making any investment decision. An investment in real estate involves a high degree of risk and should be considered only by highly sophisticated persons who can bear the economic risk of loss and illiquidity. HZ II, LLC, Hamilton Zanze & Company, and their affiliates (together, "HZ") make no warranties or representations as to the accuracy or completeness of the information, assumptions, analyses, or conclusions presented herein. Additionally, HZ cannot be held responsible for any errors, misrepresentations, or omissions on the part of any third-party sources. Any reliance upon the information contained herein is solely and exclusively at your own risk. Any views expressed herein are subject to change without notice due to market conditions and other variables. In considering any performance data contained herein, past or targeted performance is not indicative of future results, and there can be no assurance of future performance.

© 2026 Hamilton Zanze & Company and HZ II, LLC. All rights reserved.

