

# Qualified Opportunity Zone Funds vs. 1031 Exchanges

	QOZ Funds	1031 Exchanges
Eligible Gains	Any capital gain, regardless of the asset that generated it	Limited to gains from real property held for investment or used in a trade or business
Reinvestment of Proceeds	Only reinvest capital gain; can reinvest basis but it will not receive tax benefits	Must reinvest all proceeds and have same or greater amount of debt
Time Period to Reinvest	180 days (with certain exceptions); gain must be triggered on or before 12/31/2026	45-day identification period and 180 day reinvest period; no investment deadline
Replacement Asset	Qualified Opportunity Fund (invests 90% of assets in QOZ Property)	Real property; must be "like-kind"
Location of Replacement Asset	Designated Opportunity Zones	50 U.S. states, D.C., Guam and Virgin Islands
Qualified Intermediary	Not necessary	Generally required to hold proceeds or property
Minimum Holding Period	At least 10 years to achieve maximum tax benefit	None, but subject to "held for" requirement
Deferral of Capital Gain Tax on Relinquished Asset	Deferred until 2026	Deferred indefinitely; may be eliminated upon investor's death
Tax on Gain Generated by Replacement Asset	Eliminated if held for 10 years; may be eliminated upon investor's death	Due upon sale of asset; may be eliminated upon investor's death

**The benefits and risks of 1031 exchanges and QOFs vary among investors. Speak with your financial and tax advisor before making an investment decision.**





Griffin Capital Plaza  
266 Kansas Street  
El Segundo, CA 90245

424.367.4250  
[www.griffincapital.com](http://www.griffincapital.com)

THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES. AN OFFERING IS MADE ONLY BY A PRIVATE PLACEMENT MEMORANDUM. THIS LITERATURE MUST BE READ IN CONJUNCTION WITH A PRIVATE PLACEMENT MEMORANDUM IN ORDER TO UNDERSTAND FULLY ALL OF THE IMPLICATIONS AND RISKS OF SECURITIES TO WHICH IT RELATES. A COPY OF A PRIVATE PLACEMENT MEMORANDUM MUST BE MADE AVAILABLE TO YOU IN CONNECTION WITH AN OFFERING. THIS MATERIAL DOES NOT CONSTITUTE TAX ADVICE TO ANY PERSON. A PERSON MUST CONSULT WITH HIS OR HER OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM OF ACQUIRING AND OWNING AN INVESTMENT IN QOF INVESTMENT.

Not all investors are suitable or qualify to invest into a QOF. You should always read the offering memorandum of any QOF and consult with your financial professional before investing into a QOF.

### **IMPORTANT RISK FACTORS**

An investment in a Qualified Opportunity Zone Fund is subject to various risks, including but not limited to:

- No public market currently exists, and one may never exist, for the interests of any Qualified Opportunity Zone Fund. Qualified Opportunity Zone Funds are not liquid.
- Qualified Opportunity Zone Funds offer and sell interests pursuant to exemptions from the registration provisions of federal and state law and, accordingly, those interests are subject to restrictions on transfer.
- There is no guarantee that the investment objectives of any particular Qualified Opportunity Zone Fund will be achieved.
- Investments in real estate are subject to varying degrees of risk, including, among other things, local conditions such as an oversupply of space or reduced demand for properties, an inability to collect rent, vacancies, inflation and other increases in operating costs, adverse changes in laws and regulations applicable to owners of real estate and changing market demographics.
- The acquisition of interests in a Qualified Opportunity Zone Fund may not qualify under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code") for tax-deferred exchange treatment.
- The actual amount and timing of distributions paid by a Qualified Opportunity Zone Fund is not guaranteed and may vary. There is no guarantee that investors will receive distributions or a return of their capital.
- Qualified Opportunity Zone Funds depend on tenants for their revenue and may suffer adverse consequences as a result of any financial difficulties, bankruptcy or insolvency of their tenants.
- Disruptions in the financial markets and challenging economic conditions, including as a result of a pandemic such as the outbreak of COVID-19, could adversely affect a Qualified Opportunity Zone Fund.

Foreside Fund Services, LLC, Member FINRA/SIPC, is the master placement agent for Private Placement Offerings sponsored by Griffin Capital Company, LLC. Foreside Fund Services, LLC, is not affiliated with Griffin Capital or its affiliates. ©2023 Griffin Capital Company, LLC. All rights reserved.