

Universal Pacific 1031 Releases Market Analysis: Recent Changes in 1031 Exchange Laws and Statistics for 2025

Universal Pacific 1031 Experts Analyze Market Volatility and Legislative Uncertainty Creating a New Landscape for Real Estate Investors

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/EINPresswire.com/ -- In response to heightened market volatility and legislative threats to the 1031 exchange program, Universal Pacific 1031 has released a comprehensive market analysis for 2025. The report reveals that exchange transaction volume dropped to a 12-year low of \$11.9 billion, driven by rising interest rates and investor uncertainty. It also

includes insights into pending legislative proposals that could reshape the future of 1031 exchanges. As the leading [qualified intermediary](#) in Los Angeles County, Universal Pacific 1031 continues to guide clients through these changing conditions.



Transaction Volume Plummets to Historic Lows, Universal Pacific 1031 Analysis Reveals
CoStar Group's newest data shows a \$11.9 billion decline in 1031 exchange transaction volume in 2023, marking the lowest exchange volume since 2012, when it stood at \$9.4 billion. This follows ten years of intense real estate market activity, during which 1031 exchanges averaged \$33.7 billion annually during the post-Great Recession recovery, which performance ended with this significant decline.

The Universal Pacific [1031 exchange market](#) research team attributes the market downturn to the Federal Reserve's aggressive interest rate hikes, which caused rates to climb from 0.08% in early 2022 to 5.33% by August 2023. The market for 1031 exchanges still encounters significant challenges, according to our qualified intermediary experts, even though rate cuts started in September 2024 because [real estate investors](#) choose to wait before taking action because of economic instability and possible legislative developments.

Universal Pacific 1031 Monitors Legislative Uncertainty Looming Over 1031 Exchanges



When disaster strikes, investors need more than deadline extensions—clear guidance. As a 1031 exchange qualified intermediary, our job is to help clients stay compliant and on track.”

*Michael Bergman, CEO of
Universal Pacific 1031
Exchange*

While no significant changes to Section 1031 of the Tax Code occurred in 2024, Universal Pacific 1031's legislative monitoring team reports that the future remains uncertain as new proposals emerge. The 2025 budget plan from President Biden contained measures that aimed to either eliminate or heavily limit 1031 exchanges, which sparked widespread concern among real estate investors across the country.

The analysis of qualified intermediaries suggests that new political developments have greatly diminished the chances of immediate substantial tax code modifications.

Universal Pacific 1031 works with the Federation of Exchange Accommodators (FEA) and other industry representatives to meet with legislators and explain how 1031 exchanges create jobs, stimulate local economic growth, and provide 1031 exchange market liquidity during economic downturns. We aim to maintain the existing legal structure while acknowledging its economic impact over the past hundred years.

Universal Pacific 1031 Provides Guidance on IRS Deadline Extensions for Los Angeles County Investors

Universal Pacific 1031 delivers expert tax guidance to Los Angeles County property owners impacted by wildfires and straight-line winds concerning new IRS deadline extensions that affect 1031 exchange transactions. Real estate investors operating in FEMA-designated disaster areas gain flexibility from the deadline extension to October 15, 2025, for their 1031 exchanges.

Universal Pacific 1031's qualified intermediaries inform their clients that relief extends to both the 45-day identification period and the 180-day completion deadline for transactions between January 7, 2025, and October 15, 2025. We assist taxpayers from disaster-affected areas with their primary business locations inside designated zones to handle the new extensions.

Universal Pacific 1031 Identifies Shifting Investment Strategies in Response to Market Conditions

As investors adapt to the changing landscape, Universal Pacific 1031's market analysis has identified several notable trends in the 1031 exchange market for 2025:

Asset Class Shifts: Our transaction data shows multifamily, industrial, and neighborhood retail properties remain in high demand, while real estate investors increasingly move away from office properties toward more resilient asset classes with more substantial growth potential.

Reverse and Improvement Exchanges: Universal Pacific 1031 has facilitated a growing number of these more complex transaction structures, which continue to gain popularity due to higher interest rates, volatility, and limited quality inventory.

Seller Financing: Our qualified intermediaries report that traditional financing challenges have increased seller-financed transactions, with sellers leveraging 1031 exchanges to maximize their strategies.

Geographical Relocations: Universal Pacific 1031 is assisting more clients in moving their investments to more landlord-friendly areas, driven by local regulations and economic conditions.

Shift to Passive Investments: We've observed management-intensive properties being exchanged for passive investment types like NNN (Triple Net Lease) properties and Delaware Statutory Trusts (DSTs).

Strategic Considerations for Investors in 2025: Universal Pacific 1031's Expert Guidance

Despite the extended timelines provided by IRS relief measures, Universal Pacific 1031 advises real estate investors to begin their planning process early. Our experience shows that successful 1031 exchanges require strategic property identification and meticulous documentation, even under expanded timelines.

Qualified intermediaries from Universal Pacific 1031 urge investors involved in 1031 exchanges to assess how today's market conditions and potential legislative changes may influence their specific transactions. Investors gain access to knowledge from our skilled experts, which enables them to make knowledgeable choices and stay ready for upcoming changes.

About Universal Pacific 1031

Universal Pacific 1031 offers complete services for 1031 exchanges to real estate investors who want to defer capital gains taxes while investing in new properties. We function as a dependable 1031 exchange-qualified intermediary with expertise in delayed exchanges, reverse exchanges, custom strategies matching client investment goals, and the proper 1031 Exchange Timeline. For more information, call us at +1 424-469-8111.

Michael Bergman, CPA
Universal Pacific 1031 Exchange
+1 424-469-8111
info@universalpacific1031.com
Visit us on social media:
[LinkedIn](#)

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