

Buying Real Estate in your IRA

There is a new trend among investors today that you may or may not be aware of, buying real estate through your IRA. Many investors, discouraged by the inconsistent performance of their stocks and mutual funds, have turned to real estate as an alternative investment for their retirement plans. A self-directed IRA lets you purchase property with your retirement funds and realize the more predictable, steady growth that real estate has to offer. This method of investing retirement funds is especially attractive to investors who are still 10 or more years away from retirement age. Because real estate is not as liquid as many investments, its long term buy and hold strategy fits perfectly in a retirement portfolio. There are several companies that specialize in these types of investments and there are specific guidelines that must be adhered to. For instance, absolutely no personal funds may be used in the transaction, so any earnest money deposits from the initial contract must be refunded to the buyer at closing and only funds from the IRA administrator and cooperating lenders may be used. If the investment is a rental condo, then all rental income must be deposited back into the IRA account and any operating expenses must be deducted from the same account. For more information just give me a call, I'll be happy to put you in contact with a core group of people that are experienced in this type of investment.

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