

Section 408 – Real Estate Investing with Tax-Deferred Dollars

by Editor

No doubt the current status of the stock market is greatly affecting your IRA and perhaps has started to change your outlook on the future and your retirement. Are you searching for answers? Perhaps you are feeling a bit trapped as you review your monthly statements. Now is the time to explore your options to ensure your nest egg is ready for retirement.

Did you know that the IRS affords you the flexibility to invest your IRA dollars in the real estate market? Unfortunately, most of us limit our IRA investments to select funds, bonds, and individual equities, but there is a growing demand to invest those dollars in the real estate market.

It is no secret that the real estate market has fallen on some hard times lately. However, interest rates are at historically low rates and the current political environment is supporting a rapid turnaround in the real estate market. What does this mean? Because of current market conditions, there is a multitude of real estate investment deals to be had and the timing couldn't be better. Especially for someone geared more toward long-term IRA building strategies. And the best part about it? You have complete control over the asset. A novelty for sure when compared to your current IRA account filled with ownership in public companies where you have no say in the management. As evidenced by the recent events, it is clear some CEO's have their best interests in mind and don't give a hoot about your retirement account.

Begin investing in real estate and free yourself from the stress of waiting to see which executive took what bonus or sitting around hoping and waiting the company you invested in will make it through the latest slump. Nope, you control your real estate. Short of a few local ordinances and federal guidelines, you are free to operate your investment anyway you see fit. Time to start doling out bonuses to the ones who deserve it, YOU! You can even purchase a property now and move into it once you hit retirement age.

So how do you begin the process of diversifying your IRA into the real estate market? Start by selecting a custodian to assist you in the process. Many IRA account managers do not provide the service for real estate purchasing, as they like you to believe your options are limited to stocks, annuities, certificate of deposits, etc. However, there are still plenty of companies out there who understand the importance of this and their numbers are growing rapidly. Begin by searching for "real estate IRA" or "self directed IRA".

As with any investment that involves specific retirement accounts, there are tax implications specific to your personal situation and IRS guidelines in place to govern the process. You can review the full list of acceptable investment options at the IRS website. For more information, feel free to email the author at eric@40x40realestate.com

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