

# 5 Ways to be Successful With Your Real Estate IRA

Real estate opens a variety of possibilities for growing your IRA and is an increasingly common option for alternative retirement investing.

As an IRA investor looking to be successful with your real estate investments, here are 5 important things to consider:

## ✓ 1. KNOWLEDGE EQUALS POWER

- Educate yourself on your investments - the resulting knowledge will put more funds in your IRA over time.
- Study the markets and submarkets where you would like to invest. Understanding the real estate market dynamics can help you make wise investment choices.

## ✓ 2. SET CLEAR AND SPECIFIC INVESTMENT GOALS

- Having a clear focus with your investment goals allows you to plan your steps and avoid arbitrary choices.
- For example - Your goals can include the number of properties you wish to own, annual cash-flow targets or parameters for rates of return.

## ✓ 3. MAINTAIN DIRECT CONTROL

- Own your real estate directly and avoid owning it through partnerships, funds, or shares of securities that you can't control.
- Be in charge of your future - don't leave it to managers or corporations that don't have your interests in mind.

## ✓ 4. CASH FLOW IS KING

- Aim to invest in properties and markets with positive cash flow. Having positive cash flow is critical to your everyday operations as an IRA investor.
- Without regular cash coming in, you won't be able to cover operating expenses and debt service on your properties.

## ✓ 5. DIVERSIFY

- Diversifying across several markets will help reduce your risk if one market declines.
- Geographically diverse investments will protect you against shifting regional factors, such as taxes and unemployment rates.