

A Juxtaposition of the Stock Market vs. Real Estate

The stock market has historically had very rapid dips and crashes without ample warning. Stocks can become completely worthless in as little as one day. You personally cannot do anything to influence the value or force the appreciation of your stocks. When you no longer wish to own stocks you must sell them, thereby ending any further appreciation or income that you can generate from them. Stocks can move down violently on news that doesn't even pertain to that particular company. War and terrorism are now a part of life and can dramatically affect the stock market. The stock market is truly an inside game, controlled by insiders with inside information.

Real Estate does not crash or move rapidly without warning. Real Estate can cycle, and there is always warning allowing you to adjust your portfolio. You can improve your property and force its appreciation. If you wish to sell your real estate, you can still earn a return on it if you decide to hold a mortgage. Real Estate does not move violently based upon news or speculation that does not pertain to that particular property. Wars and terrorist activity have not affected the rapid appreciation of real estate in Costa Rica. Real Estate is not a mystery, its value is easily determined and vast markets of supply and demand influence its value. A few select individuals don't manipulate it.

Nowadays, investors are dismayed by the many securities, corporate and accounting scandals. Others are simply disgusted with a volatile and unpredictable stock market. Recently most investors have even seen their retirement savings cut in half. What would your retirement savings be now if you had purchased real estate many years ago in lieu of purchasing those stocks or mutual funds? Wouldn't it be nice to have more control over your investing destiny, instead of entrusting your success to a CEO you'll never meet? If you were aware of the option to invest your retirement account in real estate, you could not only have avoided these retirement account losses in the stock market, but you could have experienced extraordinary gains. There are many successful real estate investors who want to take advantage of their knowledge to enhance the returns of their retirement accounts. Others just want to diversify their retirement portfolio to reduce the risk associated with tying up all their assets in the stock market.

Investing in real estate for your retirement may serve as a means to diversify your retirement portfolio to hedge against the cyclical changes in the stock market. Real estate is the ultimate hard asset. It is a tangible asset and not just a paper certificate. There is tremendous downside protection, since real estate inherently maintains value as contrasted with stocks where the entire investment could become worthless (i.e. Enron).

So how do you do it? You simply complete a tax-free rollover of your existing IRA (or other retirement account) from your current retirement account custodian to an IRS approved custodian that allows you to have a Self-Directed IRA. What types of accounts can be Self-Directed? That's easy: ALL types of retirement accounts including

Traditional IRA's, SEP IRA's, Roth IRAs, 401ks, 403bs, Coverdell Education IRAs, Keoghs, and profit sharing plans. In other words, any and every type of tax-deferred or tax-free retirement account can be Self-Directed. You can even self-direct your HSA (Health Savings Account). Furthermore you can continue to contribute up to the maximum annual allowable contribution amount for each type of account. It is incredibly easy to get started so don't delay! If you would like further information just email Michael@CostaRicaForme.com and he will be happy to further your education.