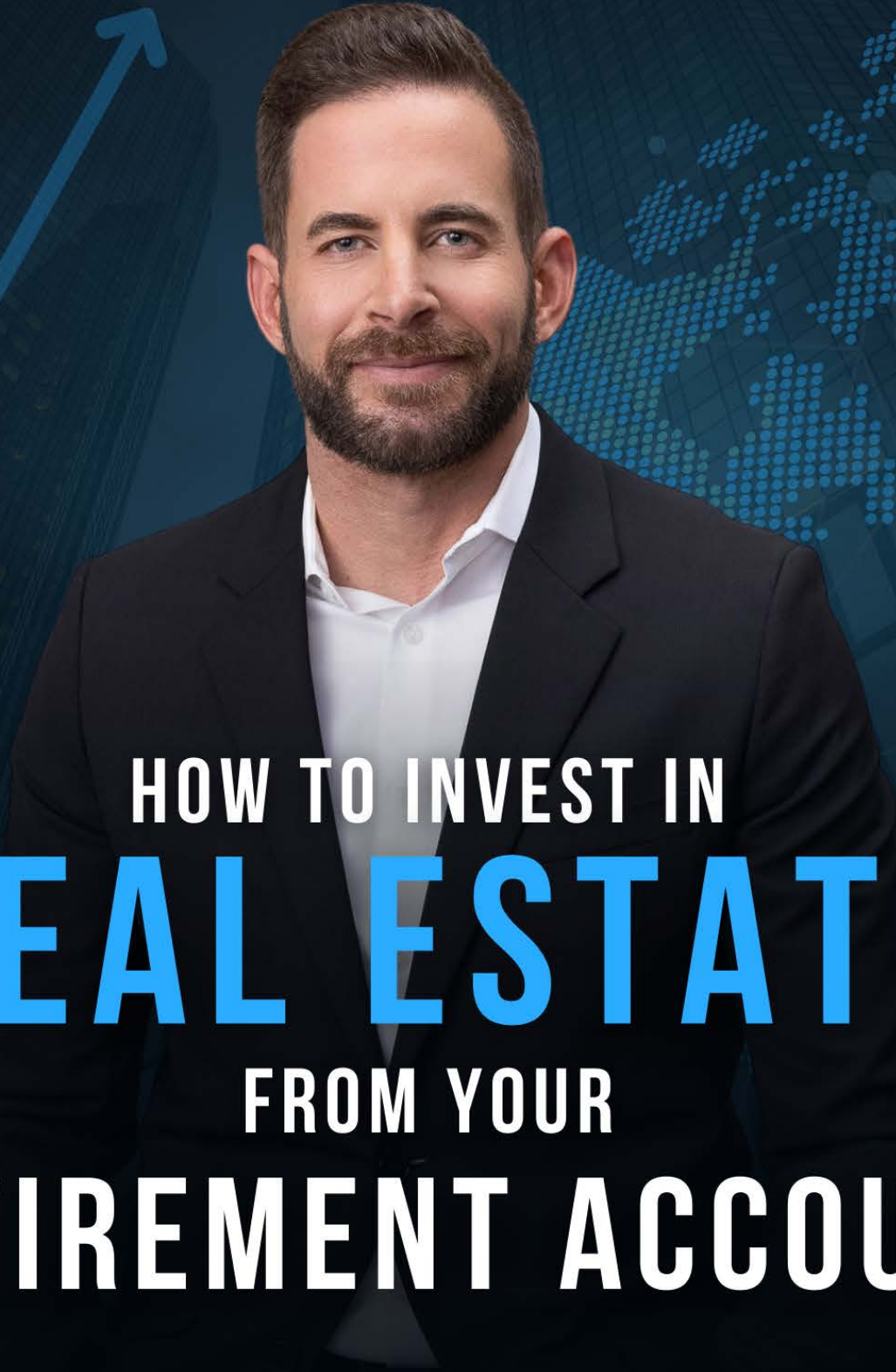


READY TO INVEST?



HOW TO INVEST IN
REAL ESTATE
FROM YOUR
RETIREMENT ACCOUNT



TEM CAPITAL

REAL ESTATE IS AN
INDUSTRY OF
LIMITLESS
OPPORTUNITY.
IT CHANGED MY LIFE,
AND IT CAN DO THE
SAME FOR YOU.

-TAREK EL MOUSSA

INTRODUCTION

401Ks and IRAs are popular retirement savings options that provide tax benefits to investors. However, many people prefer to convert these savings into physical real estate as a long-term investment option. The process of converting your 401K or IRA into real estate can seem complex but in this guide, we will break down how to do so properly without incurring any penalties!





ABOUT TEM CAPITAL

TEM Capital is a private real estate investment firm founded by Tarek El Moussa. We help clients achieve superior returns through the acquisition of apartment communities and self-storage facilities nationwide.

TEM Capital is financed by accredited investors seeking a combination of passive income, equity growth, and tax benefits. We scrupulously analyze prospective opportunities from a select group of operating partners. Our mission is to match the right investor to the right opportunity at the right time.

Copyright © 2023 TEM Capital Management, LLC

All rights reserved. No part of this book may be reproduced or transmitted in any form or by any means, electronic, or mechanical, including photocopying or recording, or by an information storage or retrieval system, without permission in writing by the author. All translations of this work must be approved in writing by the author. Please contact TEM Capital for permission to translate and distribution agreements. Printed in the United States of America.

THE BENEFITS OF INVESTING IN REAL ESTATE

Investing in real estate from your 401(k) or IRA has several advantages. Real estate has been a stable investment for centuries, protecting the wealth of many. Additionally, investing in real estate can safeguard your retirement savings from market fluctuations and inflation.

Here are some main reasons why investing in real estate is beneficial:

1. **Cashflow:** Real estate provides monthly cash flow that can be used for living expenses without reducing your principal, unlike living off your retirement account's principal.
2. **Long-Term Appreciation:** Real estate can appreciate over time, leading to potential capital gains. Most real estate investors aim for a 2x to 3x return on investment that includes both cash flow and appreciation.
3. **Tax Benefits:** 401k/IRA plans offer tax benefits such as tax-deferred growth, while real estate provides tax deductions for mortgage interest and depreciation. Disclaimer: It's recommended that individuals seek advice from their own tax professionals.
4. **Leverage:** Financing provides investors with a way to expand their investments by using other people's money to purchase assets.
5. **Tangible:** Real estate is a physical asset that cannot be easily built, replaced, or destroyed.
6. **Diversification:** Investing in apartment complexes spreads out the investment over hundreds of doors, not just one. Real estate provides a hedge against inflation during inflationary times, with the increase in the cost-of-living leading to an increase in property values and rental income.



WHAT IS A SELF-DIRECTED IRA?

A self-directed IRA (SDIRA) is a type of traditional or Roth IRA, which means it allows you to save for retirement on a tax-advantaged basis and follows the same guidelines in terms of contribution limits. The difference between self-directed and other IRAs is solely the types of assets you own in the account. With a standard IRA, you will invest in stock market products such as stocks, mutual funds, and bonds.

With a SDIRA you can invest in alternative assets such as:

1. Real Estate
2. Promissory Notes
3. Private Placements
4. Precious Metals
5. Startups & Crowdfunding

You may be wondering why you have never heard of this concept. The majority of Americans hold their retirement accounts with large brokerage houses and those brokerages are not incentivized to accommodate alternative investments as they come with an administrative burden and a loss of commission to their business.

THE TAX ADVANTAGES OF INVESTING IN REAL ESTATE

Investing in real estate through a self-directed IRA also provides several tax benefits.

Here are a few examples:

1. Tax-deferred growth: the profits made from real estate investments held in an IRA are tax-deferred, and taxes are only paid when the funds are withdrawn from the account!
2. Tax-free withdraws: If you use funds from a Roth IRA, which have already been taxed, to invest in real estate, you may qualify to withdraw the capital gains generated by the investment tax-free in retirement, providing a significant advantage over traditional IRAs.
3. Depreciation deductions: Real estate investors can benefit from depreciation deductions on the property, which can offset rental income earned and reduce the overall taxable income of the real estate investment, resulting in tax savings over time.



CONVERTING YOUR 401K/IRA INTO REAL ESTATE WITHOUT PENALTIES

Before we dive into the conversion process, it's crucial to understand the rules and regulations surrounding 401K/IRA savings. The Internal Revenue Service (IRS) imposes strict penalties for early withdrawals from traditional 401K/IRA accounts before the age of 59 1/2. The penalties include a 10% early withdrawal fee and taxes on the withdrawn amount.

To convert your 401K or IRA into real estate without incurring any penalties, you will need to follow these steps:

1. Rollover your 401K or IRA into a self-directed individual retirement account (IRA).
2. Choose a self-directed IRA custodian that specializes in real estate investments.
3. Transfer your funds from the traditional 401K or IRA into the self-directed IRA.
4. Use the funds in your self-directed IRA to purchase real estate.



CONCLUSION

Converting your 401K/IRA into real estate can be a smart investment decision, providing you with a long-term investment opportunity. By following the steps outlined in this eBook, you can avoid penalties and enjoy the benefits of investing in real estate through a self-directed IRA. Please keep in mind that depending on the type of asset you are investing in, the same accreditation criteria still may be required.

If you're interested in converting your 401K/IRA into real estate and would like to learn more about what options TEM Capital has to offer, please [click this link](#) to schedule your discovery call and we'd be happy to walk you through the next steps!

Disclaimer: It's crucial to seek the advice of a financial advisor or tax professional before making any investment decisions. The information provided in this eBook is for educational purposes only and should not be considered investment advice.

**90% OF ALL
MILLIONAIRES
BECOME SO
THROUGH OWNING
REAL ESTATE.**





TEM CAPITAL

HOW TO INVEST IN
REAL ESTATE
FROM YOUR
RETIREMENT ACCOUNT

READY TO INVEST?

CLICK HERE