

## Buying Land using Self-Directed IRA Funds

Here’s something you may not know: You can use funds from a self-directed Individual Retirement Account (IRA) to buy land.

In many ways, a self-directed IRA works like any other IRA, as a retirement investment vehicle that can offer tax-free profits, tax deductions and protection of your assets. But a self-directed IRA offers more options for how the money can be invested.

And among the ways someone can invest using self-directed IRA funds is to buy real estate.

Potlatch has experience working with land buyers who use self-directed IRAs, and recently closed the sale of a 120-acre tract in Boise County, Idaho to one such buyer.

“We were pleased to work with the buyer and his representative for the transaction, and the buyer found this to be a good way to invest some of the money in his self-directed IRA,” said Potlatch real estate manager Jim Lemieux.



So is this an option you should consider? There are a number of advantages to this approach:

- By using money from the IRA, there is no cash out of pocket required.
- As the property appreciates, it does so in a way that is tax-deferred.
- Though a property purchased in this manner needs to be a passive investment (meaning it can’t be improved and keep its tax-deferred status), a buyer could put a home or cabin next door so he could use the property for hunting, hiking or other pursuits.

Potlatch Preferred Network brokers are experts in doing transactions like these, while working closely with Potlatch’s real estate managers. If you are interested in learning more about this topic, or about anything concerning buying recreational and rural real estate, contact our team today.