Investing your IRA in foreign real estate might sound complicated, but it requires many of the same steps as purchasing property in the United States, with an international twist. When looking offshore, having an open mind and doing some basic research on the country in which you’re interested in can help you find the best investment opportunities. Here are a few important tips to help you make informed decisions.

**Verify**
Before investing in offshore real estate, verify that the title can be held in the name of an IRA. Laws do vary by country and some may only allow IRA-owned corporations to hold a title.

**Discover**
You should always discover the requirements for what types of professionals need to be involved in the transaction. Anyone from agents, attorneys, notaries, accountants, local officials, and/or interpreters may need to be involved.

**Plan**
You need to know which party is responsible for fees, and exactly how those fees are structured. In some countries the seller is responsible, in others it is the buyer. If your IRA (the buyer) is responsible for the fees, you cannot pay through personal funds. Any payments related to a property held in an IRA must come directly from the IRA.

**Understand**
Offshore real estate transactions take time. Every country requires different types of documentation. Ensure that you understand the amount of time that it should take to close the transaction.

**Calculate**
It is vital to track expenses such as booking deposits, attorney’s fees, surveys, engineering reports, hazard inspections, registration fees, stamp duties, and auctioneer’s fees. These expenses must be paid by the IRA. If there are partners, these expenses should be split evenly among each investor based on the percentage of ownership.

**Identify**
You should investigate exactly what type of identification that you and/or your corporation, trust, foundation, etc. will need to provide in order to make the real estate purchase. Again, each country varies on their specific requirements.

**Manage**
Finding the right property manager is a key factor in successfully investing in offshore real estate. Property managers who handle basic maintenance and upkeep are very important. Even though it is not explicitly prohibited by the IRS, you should never personally manage a property owned by your IRA, as that may be considered a prohibited transaction.

At The Entrust Group, we understand that you need accurate information you can trust. We are here to provide educational resources to help you grow your retirement.

Get in touch with us today.