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## **Real Estate IRA** ***Allowable Activities***

### **What activities may the owners of an IRA perform?**

Owning Real Estate in an IRA can be a great way to earn tax deferred or tax free money. Many “Real Estate” IRA account grow very large.

However, the question of what is the owner of the IRA allow to do when their IRA invests in Real Estate?

In general you are always allow to perform the “administrative” functions. Think of it this way; You are always allowed to manage your IRA investment activity. Examples of administrative activity:

- Selecting the investment property
- Read and review documents
- Determine a “plan” (i.e. is this for buy and rent?)
- Determine if rehab work is needed, the extent and type of work
- Selecting (hiring) people to perform the labor
- Supervising the project
- Tenant Selection
- Collecting Rent
- Tracking income and cost.

In addition

- Your IRA may “partner” with:
- Another IRA
- Another individual
- You personally

Notes

1. The partnership with the IRA must be established at the beginning of the investment

2. If you [personally] are a partner benefits must always be “percentage invested = percentage of benefit”. Example; if your IRA invests 42% of the money your IRA receives 42% of the benefit.

We hope this information is helpful