

Real Estate investments jump-start retirement. Now what?

During his working years, Earl invested in property. He didn't know it at the time, but these investments would allow him to retire at age 62, three years ahead of plan. Here's his story.

In his late 30s, Earl was renting a duplex. The property was in a charming neighborhood near a park and city lake. Eventually, Earl saved enough to buy the duplex along with a friend. After several years, as he continued to build equity and savings, Earl moved out of the duplex and bought a town home nearby.

At the same time, he also bought out his partner and retained sole possession of his duplex. Over a span of 15 years, the duplex enjoyed full occupancy. Earl was able to pay down the mortgage. Then, with interest rates at an all-time low, he decided to refinance the duplex, take out the equity and use it as a downpayment on a condo in Tucson.

Because he was a consultant his last 10 working years, Earl and his wife could spend their winter months in the Tucson property and watch it grow in value along with the rest of the Tucson housing market.

This year, Earl retired. His equity in the three properties represents half of his total savings assets for retirement.

While investing in real estate worked for Earl, it may not be the right choice for others.

Nobody knows if the real estate market will continue to rise as it has in the last 15 years. And now Earl faces a difficult financial planning question: how and when to dispose of his property.

What Earl does know today, is that in retirement he needs to manage his income and his risks. As tax laws, inheritance laws and market options become more complex, Earl has turned to a financial advisor to help him plan his "golden" years and time the sale of his properties.

Neither the information presented nor any opinion expressed constitutes a representation by us or a solicitation for the purchase or sale of any securities. AMS does not sponsor or endorse any entities or Web sites mentioned in this article, nor can AMS be responsible for their content.
© 2006 Asset Marketing Systems Insurance Services, LLC. All rights reserved.

MMR 0805

NASD Review Letter Reference # FX2005-0614-0193/E