

A Special Message

I am pleased to present you with the Commercial Real Estate Newsletter, a Century 21 electronic publication! Delivered to commercial investors, consumers and sellers of investment property, this electronic newsletter is designed to give you the commercial real estate information that is important to you. In each issue, you will find practical tips and articles related to investing in, selling, leasing or owning commercial properties, as well as the latest news on trends in the commercial real estate industry. I hope that you enjoy this issue of the Commercial Real Estate Newsletter. If I can be of any assistance, please do not hesitate to contact me.



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Investors Turn to IRAs for Financing Deals



When Stephen L. Smith was offered a "rare opportunity" to invest in real estate four years ago, he almost had to turn it down.

I didn't have enough money in my checking account," he says.

Unfazed, Smith looked to alternative financing. He ended up tapping an IRA account* to purchase some desert land in Phoenix. And he's glad he did.

"We sold it within six months and more than doubled our money," he says.

Smith is just one of the growing number of real estate investors utilizing IRA accounts for their deals. With the credit markets still tight, IRAs offer financing that might not otherwise be available. Plus, savvy investors may obtain returns not currently available in the stock market.

"Our new self-directed accounts are up 28% over this same time last year," says Jason DeBono, a spokesman for Entrust, a self-directed retirement account administrator. "People are seeking to diversify their retirement portfolio. By self-directing their retirement plan they gain the ability to invest in what they know and understand, like real estate."

To tap an IRA, investors roll over the account to a self-directed IRA, which has the same contribution limits and rules as a traditional one. The difference is that investors seek out their own assets rather than relying on mutual funds or other investments from companies such as Vanguard or Fidelity.

Fees for maintaining a self-directed IRA vary. Entrust charges \$95 to purchase the asset and then \$250 yearly.

Despite their benefits, self-directed IRAs aren't for everyone. Investors must be knowledgeable about tax rules governing IRAs as well as about the local real estate market.

"While real estate can be a very good investment, you could also end up losing money very easily," says Smith. "People need to work with a real estate professional."

* Consult a tax professional for details.

How the Stimulus Plan Can Help Your Business



The President's stimulus plan for economic recovery includes several provisions for small businesses. In order to unlock the credit markets, the American Recovery and Reinvestment Act has resulted in the following measures to help small businesses grow and recover.

Guarantees on Small Business Administration 7(a) loans increased. Loan guarantees under the 7(a) program were raised to 90% for each eligible loan. This helps provide banks with the greater confidence they need to extend credit during the recession.

Elimination of certain SBA loan fees. The SBA eliminated certain processing fees for loans under the 504 program and eliminated up-front fees for 7(a) loans. That reduces the cost of borrowing for small businesses.

Incentives to invest in plant and equipment. Small businesses can now write off up to \$250,000 in qualified investments in 2009.

Estimated tax payments reduced. Normally small businesses have to pay 110% of their previous year's taxes in estimated taxes. To prevent a cash crunch, the Recovery Act allows them to reduce estimated tax payments to 90% of the previous year's taxes.

New guarantee for ARC loan program. Starting on June 15, the SBA will guarantee America's Recovery Capital (ARC) loans--deferred loans of up to \$35,000 to small businesses that need help repaying debt. The loans are interest-free and 100% guaranteed by the SBA.

SBA Launches New Social Networking Site for Small Business



Move aside, Facebook and Twitter. Now, small business owners can exchange ideas on <http://Community.Business.gov>, a government-sponsored online community for small businesses. The site, launched in March 2009, combines forums and blogs and serves as a home for users to share expertise.