

# ACURA Style

BECAUSE GETTING THERE IS HALF THE FUN

WINTER 2003

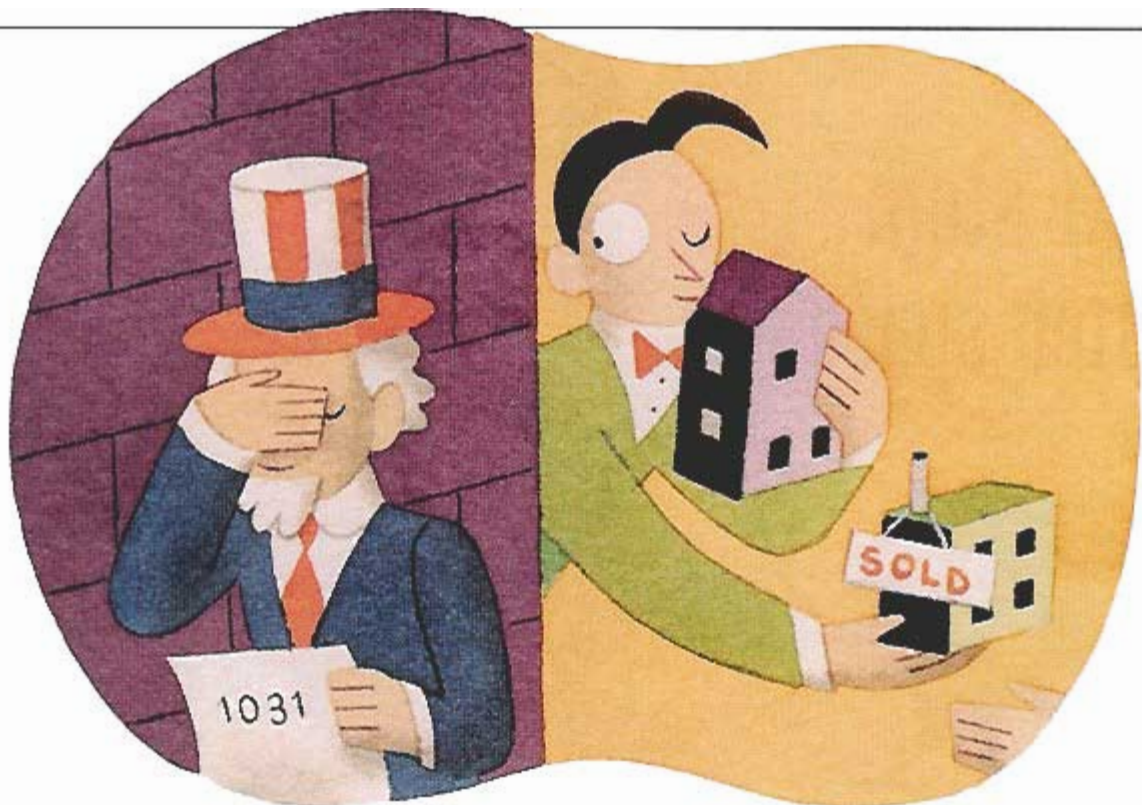
## Introducing the TSX

BLAZE YOUR OWN TRAIL IN BOSTON

BUYING PROPERTY ABROAD

TRENDS IN CAR DETAILS





## Did Someone Say “Real Estate”?

WAIT OUT THE BEAR MARKET  
ON SOLID GROUND

**W**ant to invest in something *really* sexy? How about a two-flat apartment building or strip-mall drugstore?

Today’s Dow-scarred investors are rediscovering the security—and tangibility—of real estate. They’re also discovering 1031, or “like-kind,” exchanges, which allow you to defer capital gains taxes if you sell a big asset, such as a rental vacation home, and invest the proceeds immediately in a similar asset. The advantage? You can delay the tax consequences of these deals until you retire—at which point your tax rate will likely be lower. Or you can exchange one large property for smaller ones, so you can pass them along to your heirs without a tax headache for them.

Named for their place in the U.S. tax code, 1031 exchanges were created in the 1920s for businesses and big-league investors who owned many assets and wanted a way to defer taxes over the long haul. Until a few years ago, those groups were still the main customers for 1031 transactions—but skyrocketing real-estate values and the rising number of baby boomers headed for retirement have made 1031 investments popular for the little guys too.

So where do you start?

First, talk over your goals with your tax adviser to determine whether investment property ownership is right for you—any way you slice it, it’s a lot more work than simply owning your own home.

Second, learn everything possible about being a landlord for the type of property you want. Residential property is usually very hands-on, while commercial property, such as stores, shopping centers, and warehouses, tend to involve less sweat equity but are more complex in the way they’re operated. Talk to other owners before you buy.

Third, 1031 exchanges have strict time frames for buying and selling property, so make sure you deal with a good real-estate broker who understands exactly how 1031s work. —Lisa Holton