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SCOTT E. RANDOLPH Ranie Lynds and Amy Nagler want to reduce the workload from investment properties.

### **A Couple Are Tired of Being Landlords. They Need a New Financial Plan.**

#### **The Game Plan**

**BY DEMETRIA GALLEGOS**

**Amy Nagler and Ranie Lynds** have accumulated seven homes in Laramie, Wyo., over 26 years. Now they would like to reduce some of the workload.

“We were taking houses that would have been torn down, if anyone else had bought them, and making them nice, livable homes,” says Lynds, who is 48 years old.

But now a big goal of the couple is “to wean ourselves off of being landlords,” says Nagler, who is 54 years old and tired of “painting houses, dealing with toilets, getting calls about sinks.”

Nagler is a part-time research scientist in agricultural economics at the University of Wyoming; Lynds is a geologist for the Wyoming State Geological Survey. Between them, they earn \$128,000 a year.

Real estate has been a wealth-builder for them. The seven homes, all owned outright, were purchased over time for a total of \$745,000. They now have a combined value of around \$1.8 million. The couple claimed \$30,000 in rental income last year, before depreciation. This could increase as rents go up, and most of the renovations are now complete.

Their non-real-estate assets total just over \$1 million, including \$300,000 in laddered certificates of deposit, \$43,000 in personal checking, savings and business accounts, as well as 403(b) and 457(b) retirement plans.

They live frugally, driving old cars and spending just \$150 a month on gas and auto insurance. About \$500 a month goes to groceries and eating out. Keeping two mules costs them about \$850 a month, and two dogs \$200. Insurance and property taxes on their primary home cost \$650 monthly. They do not have life insurance.

The couple say they are not interested in retiring early. But they would like to work less on their properties and be able to do new things in their free time.

**ADVICE FROM A PRO:** Nagler and Lynds have done “a really great job accumulating hard assets,” says Laura La-Tourette, a certified financial planner and founder of Family Wealth Management Group in Dahlonega, Ga.

To reduce some of their daily workload associated with the properties they keep, LaTourette recommends the couple hire professional property managers. This could also help distance them from the emotional investment they made in each home, she says.

The couple also should consider selling homes that have appreciated in value. In fact, as interest rates go down, they might get purchase offers from renters who wish to become homeowners.

If they've documented their rehab costs, they can use that to offset capital-gains taxes. They also can use 1031 exchanges, in which parties, by purchasing a property similar to one being sold, postpone capital-gains taxes.

Another way to defer taxes, the planner says, is by investing the gains only in a Qualified Opportunity Zone, or economically distressed community. These types of investments are eligible for favorable tax treatment, although the funds invested typically are tied up for 10 years.

Moreover, LaTourette says the couple's money could be performing better than the 2% of asset value generated in rental income last year. She thinks they need diversification outside of local residential real estate, perhaps including bonds and mutual funds. As they age, such investments potentially could give them more flexibility than real estate when it comes to managing taxes in retirement.

"I'm always looking at legacy, no matter what age the couples are," LaTourette says. For Nagler and Lynds, who care so much about the community, she recommends they explore ESG investing, where their money could be working to support companies that prioritize environmental, social and governance-oriented goals.

LaTourette says the couple's financial path and the need to be present in case issues come up with the rental homes has limited their ability to find new adventures such as travel.

"Now it's time to be responsible with your own dreams and goals," she says.

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