

## **REIT Advisor Introduces New Online Brokerage Site for Stock Traders and Real Estate Investors**

### **Earl E Bird, III, spokes person for the REITBuyer.com answers questions at local real estate investors meeting**

Detroit, MI – Real Estate Investors are feeling the pain as their properties are worth less than what they owe on them. It is predicted that things are going to get even worse before we begin to see improvements in our economy. Like other stocks and mutual funds, investors are stuck holding onto declining-value investments in hope that things will turn around. Earl E. Bird, III, a real estate professional, recently spoke to a group of real estate investors, offering hope and a solution to their dilemma.

Earl began, “Purchasing a real estate property today is a great investment; however, a lot of you already have properties that are upside down; you owe more than they are worth in today’s market. REITs are Real Estate Investment Trusts, essentially, Real Estate Mutual Funds. They are a way to invest in real estate without the pressures of ownership and management obligations.”

Earl explained the reasoning behind the creation of REITs, “In the 1960’s, the US Congress established REITs to give less established investors the opportunity to invest in large-scale, income producing real estate. Congress determined purchasing equity, as it is done with other industries, would be the best way to give the average investors the chance to purchase large scale commercial real estate. Before Congress became involved, access to these investment opportunities was limited to wealthy individuals and institutions.”

One investor asked, “What are REITs and why are they such a great investment with property values declining the way they are today?” Earl said, “A REIT is a corporation that owns investment property, commercial and residential, including hotels, office buildings and apartment complexes, for example. REITs are a good investment because the dividends are based on income produced by the properties; REITs may also finance real estate and many have their shares traded on major stock exchanges.”

Earl went on to explain the requirements of a REIT which helped to express the benefits of REIT investing, “To qualify as a REIT, a corporation must comply with the provisions of the Internal Revenue Code. According to the tax code, a REIT must pay annually at least 90 percent of its taxable income in the form of shareholder dividends. They must be managed by a board of directors or trustees and have a minimum of 100 shareholders. A REIT must invest at least 75% of its total assets in real estate and have shares that are fully transferable. During the last half of the tax year, no more than 50 percent of its shares can be held by five or fewer individuals and at least 75 percent of its gross income must be derived from rents, real property or interest on mortgages financing real

property. Finally, no more than 20 percent of its assets can consist of stocks in taxable REIT subsidiaries and the REIT must be an entity that is taxable as a corporation.”

As the meeting concluded Earl covered additional benefits of investing in REITs as he explained their liquidity, professional management, and oversight and disclosure obligations. The investors were happy with the information Earl provided; some were overwhelmed. Earl recommends that everyone educate themselves to fully understand what they are getting into before investing. “All investments are risky and the return on your investment is based on the degree of risk,” said Earl.

Real estate investors can learn about REITs at the REITBuyer.com. REITbuyer.com is an online brokerage information site specializing In REITs and Real Estate Mutual Funds – The World’s first and only site dedicated to REITs Real Estate Mutual Funds. This is a place for the small investor to own a piece of world class real estate.

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