

REIT Buyer Website is an Opportunity to Earn High Return Investing in Real Estate

Commonly asked questions about REITs and Real Estate Mutual Funds are answered during a recent interview

Detroit, MI – REITbuyer.com is an online real estate investment trust (REIT) broker. REITs were established by US Congress in the 1960s to allow individuals and families to be involved in large-scale investment opportunities. “Access to these investment opportunities was limited to wealthy individuals and institutions before Congress became involved,” said Earl E Bird, III, spokesperson for REITbuyer.com.

The first question asked was “What are REITs?” “Real Estate Investment Trusts (REITs) are corporations that primarily own and usually operate real estate that generates revenue including hotels, commercial office buildings, rental homes, apartment complexes, etc...REITs may also finance real estate and many have their shares traded on major stock exchanges,” explained Earl.

Earl also explained the requirements a corporation must comply with in order to be considered a REIT. “According to the provisions of the Internal Revenue Tax Code, a REIT is required to pay, annually, at least 90% of its taxable income in the form of shareholder dividends. A REIT must be managed by a board of directors or trustees and have a minimum of 100 shareholders. They must invest at least 75% of the REIT’s total assets in real estate assets and their shares must be fully transferable. A REIT must have no more than 50% of its shares held by five or fewer individuals during the last half of the taxable year and they must derive at least 75 % of its gross income from rents, real property or interest on mortgages financing real property. A REIT can have no more than 20% of its assets consist of stocks in taxable REIT subsidiaries and one must be an entity that is taxable as a corporation.”

Earl also discussed the different types of REITs available today. “Right now, there are nearly 200 publicly traded REITs in the US according to the National Association of Real Estate Investment Trusts with a combined market value of nearly \$400 Billion. Shares of REITs are being traded on major stock exchanges daily, which make them different from traditional real estate. REITs are classified into three categories; Equity REITs, Mortgage REITs and Hybrid REITs. Equity REITs own and operate revenue generating real estate; Mortgage REITs lend money to real estate owners or extend their credit by purchasing loans or mortgage-backed securities; Hybrid REITs own properties as well as make loans to real estate developers and property managers.”

REITs are considered to be a good investment for diversifying your portfolio and reducing financial risk. REITs dividends come from the rent paid by those who occupy the REITs properties, which is considered to be a fairly stable revenue

stream. Because rental rates tend to increase during periods of inflation, REIT dividends are usually protected from the negative effect of rising prices.

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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