

Real Estate Investing Options – Property, REITs and Mutual Funds

Many people love the idea of investing in real estate but are not sure which way to go with their investments. When it comes to real estate you can go from one extreme to the other, having real estate holdings that are liquid like stocks, bonds and other stock market offerings to literal property purchases that are much more permanent.

Property

The first way many people think of investing in real estate is to purchase a piece of land or a home that becomes an investment property.

While property values can fluctuate over the years, the truth is there is only so much property on the planet. With the population always growing, that means over time property will always have great value.

The only problem with purchasing property is the amount of paperwork and money that is involved. In order to be a property owner you have to finance the purchase and sign dozens of pages of paperwork to take ownership. While this is all well and good, if you every needed the money that you had put into the property it may be very hard to get a hold of as you will have to be able to sell the property at the price you want to get that money back. That may not happen in a tight market, not to mention the time involved to do it.

Real Estate Mutual Funds

Real estate mutual funds are mutual funds that are focused on the real estate market. That means inside the fund could be anything from holdings in real estate management companies, financial services or even manufacturing interests.

The nice thing about real estate mutual funds is that you can own a stake in the real estate market without being tied down. If you need your money you can sell your shares and pull it out of the fund.

REITs

REITs are real estate investment trusts. These are financial investment funds that were brought into existence by legislation in the 1960s. Essentially these are glorified real estate mutual funds that have a little more stringent rules.

Inside a REIT fund can be anything from real estate property interests to real estate management groups, financial service companies or manufacturing interests.

There are a couple unique rules relating to REITs. The most important one to investors is the way profits work. 90% of the profits from the REIT must be returned to the shareholders. That means you can expect nice dividend checks. If you are smart you will put them back into the fund and enjoy watching it grow even more.

When you are ready to put your money into a real estate venture, make sure to do your research first. Using a site like REITBuyer.com will allow you to do all the research you need as well as purchase the REITs and real estate mutual funds you want in your portfolio. They are the first and only online brokerage that specializes in real estate mutual funds and REITs.

This article was written by Earl E. Bird, spokes person for the REITbuyer.com, a site dedicated to educating Real Estate Investors on how to invest in Real Estate Mutual Funds to diversify their investing portfolio. Learn more at <http://www.reitbuyer.com>