

Investing in Real Estate Investment Trusts – Have a Plan

If you want to be a successful real estate investor in either the stock market, bonds or real estate investment trusts, you can't just go in and spend money willy-nilly right and left and just hope to make a profit. While there are some people who choose this method of investment and luck out, making money, for the most part, this type of investing is about as wise as tossing your hard earned money in the fireplace. Instead you need to have a plan before you begin investing.

Know Your Goal

It is vital to have a goal and to keep it in mind when you start investing. What is the purpose of your investments? Be specific. Do you want to save up \$500,000 for your retirement? Perhaps you want to save up \$60,000 for the kid's college tuition? Maybe you just want to see how much wealth you can amass by investing \$1000 a month into the real estate market. No matter what your goal, you have to know what it is and keep it in mind throughout your investment life.

Paths to Goal

Next you need to decide what path will get you to your investment goal. There are a number of ways to invest in real estate. Here's a look at your options:

Property Purchase – Of course you could purchase pieces of property outright. This is a very costly way of doing things, as you will have to have a lot of money on hand to purchase a complete real estate interest. Additionally, this is a hard investment to get out of, as you must be able to sell the property to get your money back in your hands.

Stock Market – Another option is choosing a stock on the stock market. There are plenty of real estate stocks out there that you can choose from and many of them have great offerings. But do you really want to put all of your eggs in one basket? If you have all of your money in one stock and it plummets, your money is gone.

REITs – REITs or real estate investment trusts are portfolios that have a number of stocks and bonds in the real estate industry inside of them. Essentially these are a way to have a large interest in real estate without putting all of your eggs in one basket. A website like reitbuyer.com will be able to point you in the right direction of REITs that will interest you.

Stay Focused

One of the major problems people have when it comes to real estate investment trusts, stocks, bonds or any of the other Wall Street offerings is that they are

completely gung ho at the beginning, but their interest wanes over time. They start to forget to check those investments as regularly. They may start going months without even looking at a statement. Investing is something that you need to stay active in. Know what is happening in your market and how it may impact your investments. If you don't keep an eye on what is going on, you may miss a vital opportunity to buy or sell to make a large profit.

This article was written by Earl E. Bird, III, spokes person for the REIT Buyer.com, a full service online information resource dedicated to assisting investors who are interested in learning more about Real Estate Investment Trusts (REITs), Real Estate Mutual Funds and how to invest in them. Visit <http://villageat.blogspot.com/> for more great articles on REITs