

Real Estate Investing in Multi-Family Dwellings

If you are considering where to put your investment dollars, you may realize there are what seems to be an unlimited number of options out there. Once you have narrowed down to the real estate market, there are still a number of options out there for investing. Do you want to go commercial or industrial? Or perhaps you have settled on wanting to invest in residential real estate. You still have choices! Single family homes or multi family dwellings?

Many people choose single family homes when it comes to real estate, but there is a lot to be said for multi-family dwellings when you are considering what is inside those real estate investment trusts (REITs) and real estate mutual funds.

Here's what you need to know.

When it comes to investing in REITs or real estate mutual funds that relate to residential real estate, the profit of those properties is going to depend on the people who are living in those dwellings. This means there could be a lot more of a negative fluctuation in REITs and real estate mutual funds that are linked to single family residences. Here's why.

Consider a REIT that is the owner of single family homes. Each time someone living in one of those homes falls on hard times and can't pay their rent or chooses to move out, you have a large hole in your profit. Until you can make the home ready to rent and find a new tenant, you are losing money. A few months like that can see your profit drop or even see you start going into the red.

On the other hand, if you are investing in a REIT or real estate mutual fund that is a multi-family unit, the impact is lessened. While you may take a little hit when one person can't pay their rent or decides to move out, you still have the other tenants around who will keep paying into the fund and keep the money coming in. Sure there may be small fluctuations downward, but the impact will not be nearly as painful as if it were a single family dwelling.

The other thing to think about is that for some reason, many real estate investors like single family homes over multi-family units. That means you may be able to get in for a lower investment to a REIT or real estate mutual fund that is filled with multi-family units. The lower your buy in, the more potential profit there is to make on the investment.

When you're ready to get into multi-family REITs or real estate mutual funds, start with a website like REITBuyer.com. REITBuyer.com is the first and only online brokerage firm that specializes in real estate investment trusts and real estate mutual funds. They not only can help you buy and sell those REITs and real estate mutual funds, but also help you manage your portfolio and make sure

you are on top of the news and reports that are vital to your investment decisions.

This article was written by Earl E. Bird, III, spokes person for the REITbuyer.com, a website designed to educate investors on REIT buying and investing in Real Estate Mutual Funds. Whether you are a savvy investment guru or a new investor looking for guidance, Reitbuyer.com has everything you need to be successful. Read more about Real Estate Mutual Funds at <http://stockthe.blogspot.com>