

Should You Add Real Estate Investment Trusts to Your Portfolio?

Have you been taking a look at your investment portfolio as of late and wondering if what you have in it is best or if you should consider adding other things to that portfolio? If you don't have any real estate investment trusts (REITs) in your portfolio, you may be missing out on a great money making possibility.

REITs are what they sound like, investment portfolio trusts that are comprised of real estate interests. This can mean any of a number of things. They could be interests in real estate physical properties such as homes, apartments, warehouses, and shopping centers. Another option is that they could be shares in management companies that landlord over these types of buildings. It's also possible that some of the stocks in a REIT will be those of the companies that finance real estate interests or even have the construction materials that are used to build real estate structures.

So, what is the difference between real estate stocks and REITs? Well the structure of how the money you put in is used and how dividends are put out is stricter in a REIT.

First, when profits are made on REITs, at least 90 percent of that profit has to go right back into the hands of the shareholders. That means more of a chance for profit coming to you every year you are holding shares.

Additionally, there are more strict rules on how the money put into REITs can be used to purchase shares of the real estate interests that are inside the REIT. Most of the rules in place are good for the buyer, so you should appreciate this structure.

The next great thing about REITs is that they allow you to have an active interest in real estate without having to own real estate personally. While real estate is often a place many people would like to invest, having to put your money into a particular property can be messy. Not only is there a lot of paperwork, but also your money is then tied up for a long time, even if you want to get out. REITs are different. With real estate investment trusts or real estate mutual funds, you can buy and sell just as you would stocks, bonds and any other offerings on Wall Street.

It really is the best of both worlds, not only can you appreciate the ownership of real estate and real estate interests, but you can also get out and see your money become liquid again very quickly if you need it to be.

Once you are ready to add REITs or real estate mutual funds to your investment portfolio, you need to make sure you are working with a brokerage that knows how to do this most effectively. REITBuyer.com is the first and only online

brokerage that specializes in REITs and real estate mutual funds so you know you will be working with a company that really knows the market and how to make sure you get what you want and need when investing.

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. Read more about REITs at <http://industryhospitality.blogspot.com>