

## **Getting to Know the Types of Real Estate Investment Trusts**

If you have been looking to put more of your investing money into real estate investment trusts (REITs) or real estate mutual funds, you may have been looking a little more closely at the types of funds that are out there for you to put your money into.

For the most part, REITs come in three types. Let's take a look at those:

### **Equity REITs**

The first type of REITs and real estate mutual funds are equity REITs. These are funds that are comprised of shares of companies that manage properties. This could mean it is a company that manages a shopping mall or an apartment complex. The way these companies make money is by renting out space, either of residential or commercial space, and profiting from the revenue that is made.

As common sense would tell you, the more successful the companies are at keeping all the units rented and keeping the property desirable, the more profits will come in and the higher return on your investment.

Equity REITs are the most common of REITs out there and the majority of the REITs you will likely consider will be this style.

### **Mortgage REITs**

The next style of REIT is called a mortgage REIT. In this case, the REITs are comprised of interests in the companies that offer financing to those who are purchasing real estate. This could mean you are putting your money into those financial institutions that are financing home or business mortgage loans.

These are less common REITs. The way you would profit from these is by interest made on the loans that are given out to those who want to purchase residential or commercial real estate. When the loans are being paid back, they are being paid with interest. That interest is profit to the financial institution. Some of that profit will also become your dividend.

### **Mixed REITs**

The third type of REIT is a mixed real estate investment trust or real estate mutual fund. These are REITs that are made of both the mortgage and equity REITs. These are often times also called hybrid REITs.

When choosing REITs, some people are specifically drawn to one type of REIT, which would make it an easier decision on purchasing, but others like a little of everything.

As you start to select the right REIT for your investment portfolio make sure to do your homework. Begin by looking for a brokerage firm that will be able to help you make the best decisions. One such company is REITBuyer.com. REITBuyer.com is the first and only online brokerage that specializes in REITs and real estate mutual funds.

Once you begin an account with REITBuyer.com you will not only have a brokerage firm where you can buy and sell the REITs you want, but also a company that will help you keep educated on what is happening in the market. Their website is specifically designed to keep you updated on news, trends and reports that are in your specific investment area to help you reach your investing goals.

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