

### **3 Tips for Finding A Good REIT**

If you are in the market to put some of your investing dollars into real estate investment trusts or REITs, you want to make sure you are putting that money in solid REITs that will hopefully bring you a great return on your investment. But with so many REITs out there, how do you wade through them all and find the best ones for your money?

#### **Annual Report**

The first thing you need to do is get your hands on a prospectus or annual report for the REIT. Just like anything else you are going to put your money into, you need to know more about the investment and what it has done in the past. If you think about it, you do this in many aspects of your life. If you are going to buy a car, you look up it's reviews and history of performance. Why wouldn't you do that when you are investing money in REITs? You should!

Once you get the annual report, take a look at the performance for the past year (or longer if it's mentioned). Remember to take into account the market conditions overall in the past year when you look at the numbers.

#### **Management Team**

The next thing you are going to want to really take a look at when it comes to REITs is the management team behind the REIT. Do your research and get to know who is going to be making the decisions relating to the money you have invested in your REITs. Each REIT out there will be managed by a company, and a financial professional within that company. Get to know that pro and read up on their history in financial markets.

#### **Diversity**

The next thing you want to make sure of is that the REIT you are considering offers a good amount of diversity for your investing dollar. What is inside a REIT will vary widely, so you need to take a close look at the options that are available in the REITs you are considering. If you are wise, you will want to make sure there is some diversity inside the REIT so if one sector or region is having a bad time of it, the other investments inside the portfolio should hold things together.

When it comes to REITs there are often a number of ways they can diversify either literally by region (as in various parts of the US) or by sector with investments in residential, commercial, industrial, hospital and health care, self storage or a number of other investment arenas.

When you are ready to start that research, you should team up with a company like REITBuyer.com. REITBuyer.com is the first and only online brokerage that

specializes in REITs and real estate mutual funds. That means they will have all the information you need to compare and contrast the REITs you are considering. Once you have done that, you will be able to make a purchase and monitor your portfolio, all in the same place.

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. Visit <http://bankfirst.blogspot.com> for more information.