

Investing In REITs and Real Estate Mutual Funds for Liquidity

If you have been thinking of putting a little money into real estate investments you may like the idea of being able to make a nice return on your investment, but are not sure just how it all works.

Can you get your money back if you need it?

For many people the real estate market is a wise place to put their money. It's a mostly stable market that is based on something tangible - real estate, which will always have value.

But in many people's mind investing in real estate means purchasing a piece of property. That is a lot of paperwork and responsibility. And what happens if you need that money? Perhaps you need a medical procedure or someone in the family desperately needs some funds. What would you do? It's very hard to sell a piece of real estate quickly, so your money could be caught up for some time.

There is another option. Instead of putting your money into individual pieces of real estate, why not put your money into real estate interests that are more liquid. In this case we are talking about real estate mutual funds and real estate investment trusts (REITs). Instead of being paperwork-layered investments like purchasing property, getting into REITs and real estate mutual funds has you buying into a fund. It is much the same as purchasing stocks, bonds and any of the other offerings on wall street, while keeping in the real estate market.

In case you haven't heard of them, here's a quick look at REITs and real estate investment trusts. REITs are specialized funds in the real estate industry. Inside these funds could be stocks, bonds and financial assets relating to real estate from financial services to manufacturing supplies.

REITs were set up by the US Government in the 1960s as a way to let everyone get in on the real estate industry. The money you put in must be used for real estate related purchases by the fund. As profits come in at least 90% of those profits must be returned to the stockholders.

Real estate mutual funds are just like any other mutual funds, but are focused in the real estate arena.

Before you buy you need to know what you are getting into. There are a number of Real estate mutual funds out there as well as REITs and they are all a little different. Some of them focus on residential properties, others commercial real estate and still others industrial. Other funds are geared towards the financial services portion of real estate while some are focused on the manufacturing world.

Log on to a site like REITBuyer.com where you can take a closer look at the REITs and real estate mutual funds out there that best suit your investment desires. They are the first and only online brokerage that specializes in real estate mutual funds and REITs. Once you have found the funds for you, you can purchase them and monitor those purchases on the same website.

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://www.reitbuyer.com> to learn more.