

## **Diversified or Specialized Real Estate Investment Trusts**

Once you know you want to put your investment dollars in to the real estate market there are still a lot of decisions to be made about investing. Knowing you want to put your money into real estate is just one small portion of the investing pie.

The next thing you need to do is decide how you want to invest in real estate. Some people purchase properties outright. Others purchase shares of various real estate interests. But if you really want to broaden your portfolio, you may want to consider investing in real estate investment trusts (REITs) or real estate mutual funds.

REITs and real estate mutual funds are essentially portfolios filled with interests relating to real estate. That means they could be real estate stocks, bonds and mutual funds.

For the most part, REITs are a mixture of stocks and other investment options relating to real estate, but you can decide just how specific or specialized you want them to be. This is a personal choice, but each has pros and cons.

### **Diversified REITs**

Diversified REITs are just what they sound like – REITs that are filled with a variety of stocks and other investment interests relating to various aspects of the real estate industry. This means there could be shares of mortgage companies that finance construction and building purchases, as well as shares of the companies that create the materials to build those structures and even the property management companies that will make sure they stay rented after they are built and open for business.

The benefit of diversified REITs is that even if one area of the real estate market is having a tough time, you will likely have those other interests to keep things going well through the rough time. But on the other side of the coin, if one area of the market does really well, you will have less of your money in that area, meaning less profit potential.

### **Specialized REITs**

The other option is specialized REITs. These are REITs that are going to be specific to one area of the real estate market. They may be mortgage REITs that have all their interests in those who finance commercial and residential real estate loans or just in property management companies.

The downside of this type of investing is if that area of the market sees a drop, so will all of your investments with it. On the other hand, if there is a sudden surge in that part of the market, you will be able to reap great profits.

Once you are ready to start your foray into real estate investing you need to make sure you are working with a company that can help you through the process and help you make wise decisions. REITBuyer.com is the first and only online brokerage that specializes in REITs and real estate mutual funds. Not only can you buy, sell and monitor your portfolio online, but you also will be able to see the latest news, reports and information relating to your investments and get a better handle on when to buy and sell to see the largest returns.

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 articles about REITs investing at <http://corporationtrust.blogspot.com>