

Coming to “Terms” with Real Estate Investing

Have you ever considered investing in real estate? As with all types of investments, there are risks and time horizons that may or may not be consistent with individual goals and objectives. With this in mind, here is a quick overview of some of the different types of real estate investments.

Multi-Family Housing. These homes or apartment complexes generally have two or more living units that share some common facilities (e.g., laundry, parking, storage space, etc.).

Real Estate Limited Partnership. A mechanism that allows several real estate investors to pool assets into a partnership that subsequently purchases and manages a desired investment property.

Real Estate Investment Trust (REIT). A professionally managed portfolio of real estate holdings in which investors are able to purchase shares.

Commercial and Industrial Real Estate. Office or industrial space, shopping malls, warehouses, or storage facilities are all forms of commercial real estate.

Time Share. A sharing of ownership in a particular piece of property (typically a condominium or room in a resort or vacation community) in which the shareowner is able to use the property for a specific increment during a specific time of the year.

Be sure to review the tax, investment, property management, and liability issues that relate to investing in real estate with your financial services professional before you invest.

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