

June 2015 Issue of PFwise.com's Monthly Newsletter

[View this email in your browser](#)



PFwise.com Monthly Newsletter

Help you make wise personal finance decisions

Hello friends, welcome to the June 2015 [PFwise.com](#) Monthly Newsletter! In this issue, we will focus on **Real Estate Investment Opportunities**.

When someone tells you that he or she is a real estate investor, what comes to your mind? If a small landlord is the only image in your mind, you are missing out a lot of other real estate investment opportunities!

I have created a 2 x 2 matrix to outline the [4 types of real estate investment opportunities](#): Public / Private Markets vs. Equity / Debt Investments. Below is a quick summary of them.

1. Private Equity Investment in RE

Purchase rental properties in the retail market and become a landlord is the most common method in this category. You own equity of the property, when the mortgage is paid off, you own a house debt-free and with appreciated value. But don't overlook the efforts required to be a successful landlord! I will discuss this topic in more details in a future newsletter.

2. Private Debt Investment in RE

You lend money to other people (through hard money loans, tax lien investment, etc.), in other words, you become a debtor, other people owe you money and pay you interest rates (usually a lot higher than the going market rates). The downside? Surprisingly low, because if other people fail, you will take ownership of the property and become the real owner!

3. Public Equity Investment in RE

You buy shares in real estate investment trusts (REITs) in a public exchange and become an equity investor in the real estate owned by the REITs. If you do it right, you can enjoy the upside of the real estate market without the work a landlord has to put in (of course, you are paying the management team of the REITs to do all the work). However, like investing in stocks, you have to do your due diligence first!

4. Public Debt Investment in RE

You invest in mortgage securities, the debt equivalent of REITs (aka mREITs). These securities are secured by the underlying properties, but unlike REITs, mREITs don't own or operate the properties. It takes a lot of technical skills to analyze mREITs.

Thank you for your readership! I hope this newsletter opens up your mind to real estate investment opportunities out there and I wish you success!

If you like our newsletter, please share with your friends. They can subscribe by dropping a line to help@pwise.com or click [here](#).

The Bottom Line

Personal Finance is a broad and complicated topic, and needs lot of knowledge and forward-looking planning. I hope I can share my knowledge and use my skills to help you make wise PF decisions.

Kaisheng (Kenny) Bao, CFA, MBA
Independent Agent
National Producer Number 16505199
Pwise.com
(571) 482-9394

Copyright © 2015 Pwise.com, All rights reserved.