

Which Type of REIT is Right for You?

	STOCK EXCHANGE-LISTED REITS	PUBLIC NON-LISTED REITS	PRIVATE REITS
Overview	REITs registered with the SEC whose shares intentionally trade on national securities exchanges, such as the NYSE and NASDAQ.	REITs that are registered with the SEC but whose shares intentionally do not trade on a national securities exchange. Offerings are subject to review by state securities regulators, commonly referred to as “Blue Sky” review.	Private REITs, sometimes called private placement REITs, are offerings that are exempt from SEC registration under Regulation D of the Securities Act of 1933 and whose shares intentionally do not trade on a national securities exchange. Private REITs generally can be sold only to institutional investors, such as large pension funds, and/or to “ Accredited Investors ” generally defined as individuals with a net worth of at least \$1 million (excluding primary residence) or with income exceeding \$200,000 over two prior 2 years (\$300,000 with a spouse).
Liquidity	Shares are listed and traded, like any other publicly traded stock, on a national securities exchange, such as the NYSE and NASDAQ.	Shares are intentionally not listed on national securities exchange. Liquidity options vary and may take the form of share repurchase programs or secondary marketplace transactions, but are generally limited. Certain “Daily Net Asset Value (NAV) REITs” may provide enhanced liquidity by offering periodic, <i>e.g.</i> , daily (or less frequent) repurchase options at net asset value. Traditionally, public non-listed REITs have aimed at providing liquidity through an event such as listing on a national securities exchange, selling all or substantially all its assets, or entering into a merger or business combination.	Shares are not traded on a public securities exchange and are not generally liquid. Redemption programs for shares vary by company and may be limited, non-existent, and/or subject to change.
Transaction Costs	Brokerage costs the same as for buying or selling any other publicly traded stock.	Brokerage costs vary by company and may include up-front commissions and/or trail fees.	Brokerage costs vary by company, but may include formation fees, annual management fees and a percentage of profits in the form of a “promoted interest.”
Management	Typically self-advised and self-managed.	Typically externally advised and managed.	Typically externally advised and managed.
Minimum Investment Amount	One share.	Typically \$1,000 - \$2,500 initial investment.	Typically \$1,000 - \$25,000; private REITs that are designed for institutional or accredited investors generally require a much higher minimum investment.

	STOCK EXCHANGE-LISTED REITS	PUBLIC NON-LISTED REITS	PRIVATE REITS
Independent Directors	Stock exchange rules require a majority of directors to be independent of management. NYSE and NASDAQ rules generally call for fully independent audit, nominating and corporate governance and compensation committees.	Subject to state “Blue Sky” securities regulations that generally follow the North American Securities Administrators Association (NASAA) Statement of Policy Regarding Real Estate Investment Trusts , which recommends that boards consist of a majority of independent directors and that a majority of each board committee consist of independent directors.	Generally exempt from regulatory requirements and oversight, unless managed by a registered investment advisor under the Investment Advisers Act of 1940.
Investor Control	Investors re-elect directors.	Investors re-elect directors.	Investors generally re-elect directors.
Corporate Governance	Subject to state general corporate law and regulation, and NYSE or NASDAQ exchange rules on corporate governance.	Subject to the same state law corporate law provisions as Stock Exchange-listed REITs as well as state securities laws and regulations which generally follow the North American Securities Administrators Association (NASAA) Statement of Policy Regarding Real Estate Investment Trusts .	Not required other than the Internal Revenue Code’s requirement that a REIT needs to have a board of directors or board of trustees.
Disclosure Obligation	Required to make regular financial disclosures including quarterly unaudited and annual audited financial results under the Securities Exchange Act of 1934, including 10-Qs, 10-Ks, 8-Ks and proxy statements.	Required to make regular financial disclosures including quarterly unaudited and annual audited financial results under the Securities Exchange Act of 1934, including 10-Qs, 10-Ks, 8-Ks and proxy statements. Pursuant to FINRA Notice 15-02 , Financial Industry Regulatory Authority (FINRA) rules require additional broker-dealer disclosure of valuation methodology.	Exempt from SEC registration and related disclosure requirements under Regulation D.
Performance Measurement	Numerous independent performance benchmarks available for tracking listed REIT industry. Wide range of analyst reports available to the public.	FINRA rules require that investors be furnished with per share estimates pursuant to specified timeframe. Independent publications track activities and results of public non-listed REITs.	No public or independent source of performance data available for tracking private REITs.