

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 trade on national stock exchanges, such as the NYSE and NASDAQ.	REITs that are registered with the SEC but whose shares do not trade on national stock exchanges.	REITs that are not registered with the SEC and whose shares do not trade on national stock exchanges. Private REITs generally can be sold only to institutional investors such as large pension funds or to “Accredited Investors,” generally defined as individuals with a net worth of \$1 million, excluding their primary residence or with incomes exceeding \$200,000 over each of the last two years (\$300,000 with a spouse).
Liquidity	Shares are listed and traded, like any other publicly traded stock, on major stock exchanges, such as the NYSE and NASDAQ.	Shares are not traded on public stock exchanges and shares are not generally liquid. Redemption programs for shares vary by company and may be limited and/or subject to change. Commonly a minimum holding period for investment exists. Investor exit strategy may be linked to a required liquidation after some period of time (sometimes 10 years) or to the listing of the stock on a national stock exchange or merger with a listed company at such time.	Shares are not traded on public stock exchanges and shares are not generally liquid. Redemption programs for shares vary by company and may be limited and/or subject to change.
Transaction Costs	Brokerage costs the same as for buying or selling any other publicly traded stock.	Typically, up-front fees are charged for broker-dealer commissions and sales expenses, which generally cannot exceed 15 percent under applicable FINRA rules and state guidelines. Additional periodic and/or back-end fees and expenses may also be charged.	Varies by company, but many private REITs use the “2 and 20” promote typically used by private equity funds.
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.	Typically \$1,000 - \$25,000; private REITs that are designed for institutional investors require a much higher minimum.
Independent Directors	Stock exchange rules require a majority of directors to be independent of management. NYSE and NASDAQ rules call for fully independent audit, nominating 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 require that boards consist of a majority of independent directors and that a majority of each board committee consist of independent directors.	Exempt from regulatory requirements and oversight.
Investor Control	Investors re-elect directors.	Investors re-elect directors.	Investors re-elect directors.

Corporate Governance	Specific stock exchange rules on corporate governance.	Subject to state 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 trustees.
Disclosure Obligation	Required to make regular financial disclosures including annual audited financial results under the Securities Act of 1933, including 10-Qs, 10-Ks and 8-Ks and proxy statements.	Required to make regular disclosures, under the Securities Act of 1933, including 10-Qs, 10-Ks and 8-Ks and proxy statements. Pursuant to FINRA Notice 15-02, FINRA rules require additional broker-dealer disclosure of valuation methodology.	Exempt from registration under the securities laws, including required disclosures.
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. No independent source of performance data available for tracking the public, non-listed REIT sector.	No public or independent source of performance data available for tracking private REIT performance.