Understanding Real Estate Investment Trusts (REITs)

Republic Act No. 9856 defines a REIT, as follows:

A REIT is a stock corporation... principally for the purpose of owning income-generating real estate assets such as office buildings, residential condos, shopping malls, hotels, warehouses, hospitals, airports and tollways.

Features of REITs

In order to manage its income-generating real estate and other investments, a REIT is required to engage the services of an independent fund manager and a property manager.

THE FUND MANAGER

is tasked to execute the REIT’s investment strategies.

THE PROPERTY MANAGER

provides property management services, lease management services, including rent collection, tenant services, security and other similar services.
REITs: Real Estate Investment for Every Juan

Benefits to Investors
REITs allow small or retail investors to participate in the ownership of one or more income-generating real estate.

90% of distributable income annually distributed as dividends

Benefits of Investing in REITs
CAPITAL APPRECIATION
RELIABLE AND REGULAR DIVIDENDS
LIQUIDITY
DIVERSIFICATION
How to Invest in REITs

1. Open an account with a REIT-Eligible stockbroker

2. Authorize your stockbroker to create your Name on Central Depository (NOCD) Account

3. Subscribe to REIT IPOs via PSE EASy