

**BUSINESS**

# Reits may provide the best of both worlds

*Special to Sentinel-Voice*

For most of us, the ideal goal of investing is to increase return potential. An investment can meet this goal in one of two ways: Dividend or interest payouts or the increase in the value of the investment.

Many investors try to achieve one or both of these objectives based on the types of stocks or bonds they buy. But, if you're looking to potentially get the best of both worlds, you may want to look into real estate investment trusts (Reits).

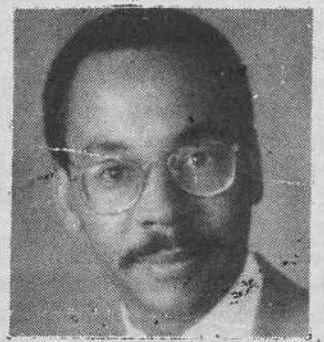
Reits are publicly traded companies that combine the capital of many investors to acquire real estate or provide financing for land development. Investors receive the benefit of a diversified real estate portfolio under professional management, while the Reit provides current income distributions and long-term stock appreciation potential.

Reits are appealing because most do not pay corporate income tax to the Internal Revenue Service. Also, most states honor this federal treatment and do not require Reits to pay state income tax, allowing the Reit to pass most of its income to shareholders. This is important because the law requires Reits to pass at least 95 percent of their taxable income to shareholders in the form of dividends, helping to ensure a steady stream of income for investors.

Understanding the different types of Reits available might

## Financial Report

By Fred T. Snyder



help you determine if a Reit would be suitable for your financial goals:

- **Equity Reits.** This type of Reit takes an ownership position in the real estate in which it invests. Stockholders earn dividends as a result of rental income from the buildings and enjoy the rewards if properties are sold for profit.

- **Mortgage Reits.** Shareholders' capital is loaned to real estate builders and buyers in mortgage Reits. Highly sensitive to interest rates, mortgage Reits' revenues are generated from interest earned on their mortgage loans.

- **Hybrid Reits.** A combination of equity Reits and mortgage

Reits, hybrid Reits earn revenue through both rental income and mortgage loan interest.

- **Specialty Reits.** Some Reits specialize in certain types of real estate such as shopping centers or recreational facilities. For example, health care Reits concentrate on health care facilities such as hospitals, medical office buildings, nursing homes and assisted living centers. Geographic focus is another distinction in Reits. Some trusts invest in a particular region of the country or world, while others even specialize in a single metropolitan area.

In addition to the income benefits real estate investment trusts can provide, they also offer your investment portfolio diversification, which can help reduce risk. With shares typically trading around \$30 to \$40, with no minimum purchase required, investors can invest in Reits without a large capital expenditure.

While Reits are not risk-free, they do offer some attractive opportunities for an investor wanting a diversified portfolio of stocks. Despite their recent popularity, Reits have been around for 35 years, so you can take comfort in knowing this is not a new investment or fad.

Before making any decisions on Reits, you should consult your investment professional to see if investing in Reits is the right thing for you.

*This article was provided by A. G. Edwards & Sons, Inc., member SIPC, Fred T. Snyder/investment broker.*

## Commerce, census offer minority businesses \$500 million via internet

*Special to Sentinel-Voice*

WASHINGTON, DC — The U.S. Department of Commerce's Minority Business Development Agency and Bureau of Census announced last week the installation of Internet-based technology to match minority businesses with more than \$500 million in contracts for the upcoming 2000 Census.

Courtland Cox, acting director of MBDA, said "this new system is a significant component of an aggressive Department of Commerce strategy to support President Clinton's electronic commerce initiative and to enable

minority businesses to take full advantage of millions of dollars in contract opportunities in the ramp-up for the decennial census."

Any minority business can register free-of-charge to participate in the offering by completing an on-line form (Phoenix) located on the MBDA website at <http://www.mbda.gov>.

After a minority business is registered in the Phoenix database, the business profile is matched with specifications for contract opportunities submitted by Census contracting officers. These contracts cover many business

services from computers and telecommunications to building construction, maintenance, vending and transportation.

By registering on the MBDA Phoenix database, minority businesses are also eligible for contract referrals from private companies and other federal, state and local governments. Contracting officers enter these opportunities on-line via the "Opportunity" database also located on the MBDA website <http://www.mbda.gov>.

In addition to contract opportunities, minority businesses registered on the

Phoenix system are eligible for discounts on computers and related services from the IBM Corporation and MBDA electronic commerce business partner. The interactive Phoenix system replaces the old paper-based MBDA Automated Business Enterprise Locator System

(ABELS).

Each night, the "Opportunity" database compares contract listings with minority businesses profiles registered on the Phoenix database. When a "match" occurs, an e-mail or fax is sent to the minority company informing them of the contract

opportunity. The e-mail or fax includes contact names, addresses, phone and fax numbers of the contracting officer and a description of the opportunity.

In addition, the contracting officer posting the opportunity is sent a list of all qualifying (See Internet, Page 17)

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