

ON THE INTERNET

SPOTLIGHTING WEB SITES

The Internet is a network of computer systems from around the world, including government, university, commercial, and public computer systems. This section explores investment-related sites on the Internet. Each issue highlights an area that may be of interest to Computerized Investing readers. We welcome referrals to sites you have discovered.

Created by an act of Congress in 1960, real estate investment trusts, or REITs, are intended to make investing in large-scale, income-producing real estate accessible to smaller investors. REITs are similar to mutual funds; they manage a pool of real estate for the benefit of shareholders. Equity REITs are typically divided into the real estate subclasses of retail, residential, industrial/office, diversified, and lodging/resort. There are also mortgage REITs and hybrid REITs.

Below are the Web sites that assist individual investors in learning about and obtaining data on REITs.

NAREIT Online

www.nareit.com

NAREIT, the National Association of Real Estate Investment Trusts, is the trade organization for real estate firms. Members are REITs and other real estate professionals. However, individuals can find a large amount of instructional materials on REITs, as well as news articles and company and industry statistics.

The instructional section of the Web site provides an array of explanatory information, such as what a REIT is and how a company qualifies as a REIT. There is also a section that explains how REITs came about and gives updates on legislation by Congress. The frequently asked questions (FAQ) section answers questions such as what differentiates REITs from limited partnerships. The glossary defines over 25 REIT-related terms from equity REIT to EBITDA (earnings before interest, taxes, depreciation, and amortization).

The Investing in REITs area is divided into eight sections. A guide

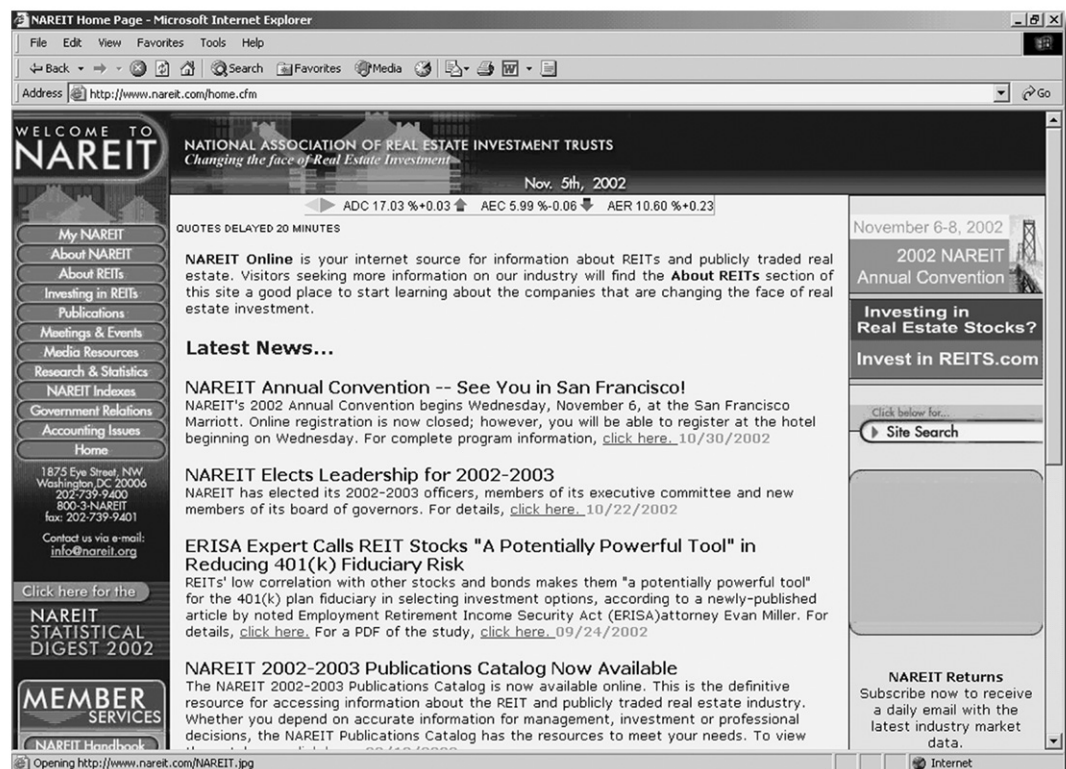
to REIT investing provides links to a wide range of items, such as index sector historical returns, property performance history, and real-time property performance. The REIT dividends section takes you to DividendDiscountModel.com, a site that lets you use the dividend discount model to value REIT stocks. This site shows expected returns, projected earnings per share growth, current dividend, and market capitalization for any REIT.

The Stock Exchange Listings section gives company name and ticker by exchange, with links to each company's home page. The Industry Analysts section lists all companies that analyze REITs with contact names, E-mail addresses, and telephone numbers. Other sections in the Investing in REITs area include a page listing real estate mutual funds, a conference call calendar and summaries of recent analyst calls.

An interesting and useful part of the NAREIT's Web site is the Research and Statistics area, which gives the user access to a large amount of statistical information on the REIT industry. Some of the information here is restricted to NAREIT members.

The statistical tables available to individuals include: current market capitalizations, historical market capitalizations

NAREIT Online



from 1972-2001, annual proxy data, and industry capital offerings. Information is presented in PDF or spreadsheet format. Individuals can also access past issues of REIT Watch, a monthly statistical report on the REIT industry, and Chart Book, a summary of trends in the industry and the U.S. real estate economy. Also available is year-end tax reporting summary data on REITs.

The NAREIT site also offers data on domestic and global REIT indexes, including total returns and dividend yields.

Access to most of the site is free. To become a NAREIT member, one must be an industry professional.

Invest in REITs

www.investinreits.com

Invest in REITs is an educational Web site sponsored by NAREIT and the materials on the site are geared toward the individual investor.

A large educational section explains what REITs are, how they are managed, their investment limitations, and tax rules. Other pages cover the difference between REITs and limited partnerships, how REIT stocks are valued, and the real estate fundamentals investors should consider when looking at REITs.

For locating REITs, the site provides a list by exchange with ticker symbols and links to each company's site, as well as a separate list of REITs that have dividend reinvestment and stock purchase plans for direct investing. Also, a list of mutual funds that invest in REITs is provided, with contact phone numbers. Clicking on the heading Find a

REIT takes you to the NAREIT company directory search engine where you can specify the type or types of REITs you are looking for.

Much of the rest of the site expands on the reasons to invest in REITs, explaining their dividend and diversification benefits.

Access to Invest in Reits is free.

REITNet

www.reitnet.com

REITNet.com was created as a delivery system for REIT information, where users can view investment analysis of real estate and real estate securities. The site provides a range of information from a variety of sources.

REITNet.com is divided into several main sections: Market Reports, RealSource, Mutual Funds, REIT Valuation, REIT Locator, Market Profiles, Web Links, REITs 101, REITNet Q&A, Bookstore, and Glossary. Some areas are free to users; others charge a fee for access.

Free educational information can be found at the REITs 101 section, which walks you thorough the fundamentals; the REITNet Q&A section, which is a search engine; and the glossary. The Bookstore describes reading materials that teach you about REITs.

In the Mutual Funds section of the site, a free sort engine allows you to view real estate-related mutual funds based on specified criteria such as state or type of REIT. The resulting list includes ticker, assets, net asset value and return statistics.

The REIT Valuation section provides a link to DividendDiscount-Model.com where you can get a valuation on a REIT by typing in its ticker symbol. The area is also free of charge.

The REIT Locator is a free search engine that allows users to locate specific REITs as well as build a list of REITs in specific categories.

The Market Profiles section is where users can see a summary of various real estate markets in the 50 metro areas across the country.

Fee-based services include the market reports section, which offers reports on the top 50 American metropolitan markets as well as thousands of submarkets from REIS, Inc. Report costs range from \$80 to \$100. RealSource, a subscription service, is an abstract bibliography database of real estate articles. It contains over 16,000 article abstracts.

