# MyNico review

## Summary

MyNico has taken an innovative approach to Real Estate Investment Trust (REIT) by opening up a possibility for community members to invest in the real estate in their neighbourhood.

## What is MyNico?

Unlike other REITs, MyNico has taken a community-centric approach by allowing people to grow their wealth through investments in income-producing properties in their neighbourhood. It will start with a neighbourhood called Echo Park in Los Angeles, where it presently owns three buildings.

## How Does MyNico Work?

MyNico has created a neighbourhood REIT in Echo Park. A neighbourhood REIT is a novel concept where all the properties belong to a specific neighbourhood. The aim of this concept is to encourage local people to invest in their neighbourhoods and own a financial stake in it. By investing in the local real estate, it also allows them to have a say in how the neighbourhood will evolve with time.

MyNico uses the investments from shareholders to buy and professionally manage local rental properties so that their value appreciates over time. The investor owns a share of the income that these properties generate. They also own a part of the underlying value of these properties. If the value of these properties increases, the investors benefit.

Investors can realize their gains in two ways – through quarterly dividends and quarterly stock redemption.

For quarterly dividends, an investor can choose to reinvest or receive the earnings. At every quarter, the management team will review the portfolio’s performance and decide whether to pay a dividend to the investors.

Investors can also make requests to redeem the value of their stocks once every quarter. MyNico limits redemption requests to once every quarter in order to ensure fund stability. They are also not obligated to honour requests for redemption.

## MyNico’s Portfolio

MyNico portfolio consists of three rent-stabilized apartment buildings –

1. 1461 Sunset Boulevard

A mixed use building that has 20 apartments and 4 retail stores.

1. 1412-16 Echo Park Avenue

A property with 32 individual units connected to one another through courtyards.

1. 1650 Echo Park Avenue

An apartment building with 28 units in Art Deco-style.

Their portfolio contains buildings that are rent stabilized which

## Who is MyNico best suited to?

MyNico is best suited to people who are looking for a very long-term investment in real estate as well as allow their money to create a positive social and environmental impact.

It is not good for those looking for a short-term investment as the fund objective states that investors should ideally be seeking a very long time horizon when investing in MyNico. Moreover, one can’t withdraw their investment at a short notice with MyNico.

## How to invest in MyNico?

You have to set up an account on the MyNico website and start with an initial investment of $100. During the process, MyNico will verify your email. Subsequently, you will be allowed to set up a user name and a password to login into the MyNico application.

After logging into the MyNico application, you will have set up the subscription agreement by following a set of steps such as setting the payment source, investment amount and if you wish to plough back the quarterly dividends or receive them.

To set up the account, you will also need to undergo an identity verification procedure where you will have to answer questions about yourself.

To be eligible for investing, the investor should –

* Be over 18 years of age
* Have a U.S. bank account
* Have U.S. social security or tax identification number

## Pros and cons of investing in MyNico

**Pros**

* Diversity in portfolio by investing in multiple properties
* Low initial investment of $100
* High dividend yield as 90% of the income generated by REITs is paid to investors

**Cons**

* Investment can’t be redeemed easily
* Only suitable for investors with a long term horizon
* Offering restricted to apartment buildings at present