Previous research on the returns to real estate investment trusts (REITs) has considered whether REITs are systematically exposed to general stock-market risk and interest-rate risk. This study examines how the sensitivity of REIT returns to these factors may be influenced by various REIT characteristics. Using a sample of publicly traded REITs, we estimate the sensitivity of REIT returns to stock market and interest-rate changes. We then propose and implement a model for testing whether differences in asset structure, financial leverage, management strategy, and degree of specialization influence the interest-rate sensitivity of real estate investment trusts.