



3 REITs I'd Buy With an Extra \$5,000

Description

What would you do with an extra \$5,000?

For many, such a windfall would be quickly blown on shoes, electronics, or a vacation. But for those of us with a little discipline, \$5,000 could put a big dent into a long-term savings goal. That's doubly important for those of us who haven't been saving at all.

Real estate investment trusts, or REITs, are one of my favourite places to stash extra money. Because they're required by law to pay out all of their earnings to unitholders, these firms often sport big yields. Furthermore, properties like apartment buildings, office complexes, and shopping malls tend to be reliable investments. So, with this theme in mind, here are three REITs I'd buy with \$5,000.

1. Boardwalk REIT

Boardwalk REIT ([TSX:CAR.UN](#)) is one of the most dependable income streams around. More than two-thirds of the trust's portfolio consists of mid-tier apartment buildings. It's nothing fancy, but these assets will crank out cash even if the economy is struggling.

You could think of Boardwalk as the **Wal-Mart** of real estate. People always need a place to live. And because the business is focused on affordable housing, this firm earns a steady income in any market.

2. RioCan Real Estate Investment Trust

RioCan Real Estate Investment Trust ([TSX:REI.UN](#)) owns one of the largest realty empires in the country, with over 79 million square feet of real estate throughout Canada and the United States. However, this firm isn't your traditional landlord. Instead, RioCan specializes in commercial real estate like malls and shopping centres—an area of the market typically off-limits to retail investors.

This is how the firm has been able to pay out such consistent, oversized rent cheques. Since its first distribution in 1994, RioCan has never missed a monthly payment to unit holders. Today the trust yields a tidy 5%.

3. Dream Global REIT

Dream Global REIT (TSX:DRG.UN) allows you to invest internationally without renewing your passport. The trust owns Grade A office space throughout Germany, encompassing some 16 million square feet of real estate. These properties are rented out to a number of top companies that I'm sure you've heard of, such as **Google** and **BNP Paribas**.

Needless to say, these corporate tenants have a lot more rent money than the typical people answering ads in the newspaper. Today Dream pays a monthly distribution of 6.67 cents per unit, which comes out to an annualized yield of 8.2%. But as the fund rolls over tenants into higher-paying leases, I'd expect that distribution will grow significantly in the years ahead.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)

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