



3 REITs With Yields up to 10.5% I'd Buy With an Extra \$5,000

Description

The one thing you must know about investing is that dividend-paying stocks far outperform non-dividend-paying stocks over the long term. It is for this reason that all investors, young and old, should own at least one dividend-paying stock, and depending on your investment goals and risk tolerance, maybe even a diversified portfolio full of them. With this in mind, let's take a look at three real estate investment trusts, or REITs, with yields up to 10.5% that you could buy right now.

1. Slate Office REIT: 10.5% yield

Slate Office REIT (TSX:SOT.UN) owns and operates 49 commercial properties across Canada's major population centres. It pays a monthly distribution of \$0.0625 per share, or \$0.75 per share annually, giving its stock a 10.5% yield at today's levels. Investors should also note that the company has maintained this monthly rate since February 2013, but its increased amount of core funds from operations, including 79.3% year-over-year growth to \$4.66 million in the first quarter of fiscal 2015, could allow for a significant increase in the very near future.

2. Inovalis Real Estate Investment Trust: 9% yield

Inovalis Real Estate Investment Trust (TSX:INO.UN) owns an interest in eight office properties in France and Germany, totaling approximately 889,000 square feet of gross leasable area. It pays a monthly distribution of \$0.06875 per share, or \$0.825 per share annually, which gives its stock a 9% yield at current levels. It is also worth noting that the company has maintained this monthly rate since June 2013, but its increased amount of adjusted funds from operations, including a 21.7% year-over-year increase to \$3.7 million in the first quarter of fiscal 2015, could allow for a slight increase in the second half of this year.

3. Smart REIT: 5.3% yield

Smart REIT (TSX:SRU.UN), formerly known as Calloway Real Estate Investment Trust, owns and operates over 120 retail centres in Canada, most of which are **Wal-Marts**, totaling approximately 27.4 million square feet of gross leasable area. It pays a monthly distribution of \$0.1334 per share, or \$1.60 per share annually, giving its stock a 5.3% yield at today's levels. Investors should also note that the

company increased its monthly rate by 3.4% in October 2014 as a result of its increased amount of funds from operations and a “growing confidence” in the performance of its business, and I think this could become an ongoing theme over the next several years.

Should you buy one of these REITs today?

Slate, Inovalis, and Smart represent three of the best long-term investment opportunities in the REIT industry today. All Foolish investors should take a closer look and strongly consider beginning to scale in to positions in one of them.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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