



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

Description

As Foolish investors know, dividend-paying stocks generate higher returns than non-dividend-paying stocks over the long term, and real estate investment trusts, or REITs, have some of the highest yields in the market today. With these factors in mind, let's take a look at three REITs with yields up to 9% that you could add to your portfolio today.

1. Cominar Real Estate Investment Trust: 9% yield

Cominar Real Estate Investment Trust (TSX:CUF.UN) is the third-largest diversified REIT in Canada and the largest commercial property owner in the province of Quebec, with over 550 properties totaling approximately 46 million square feet of gross leasable area. It pays a monthly distribution of \$0.1225 per share, or \$1.47 per share annually, giving its stock a 9% yield at today's levels. It is also worth noting that the company increased its monthly rate by 2.1% in July 2014 as a result of its strong operational performance, and I think this could become an ongoing theme over the next several years.

2. RioCan Real Estate Investment Trust: 5.8% yield

RioCan Real Estate Investment Trust ([TSX:REI.UN](#)) is the largest owner of shopping centres in Canada, with over 350 retail properties totaling approximately 79 million square feet of gross leasable area. It pays a monthly distribution of \$0.1175 per share, or \$1.41 per share annually, which gives its stock a 5.8% yield at current levels. Investors should also note that the company has maintained this monthly rate since January 2013, but its increased amount of operating funds from operations, including 7.9% year-over-year growth to \$274 million in the first half of fiscal 2015, could allow for an increase in the very near future.

3. Smart REIT: 5.4% yield

Smart REIT ([TSX:SRU.UN](#)) owns and operates over 130 shopping centres in Canada, totaling approximately 30.5 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 5.4% yield at today's levels. It is also very important to note that the company recently announced a 3.1% increase to its annual distribution to \$1.65 per share, or \$0.1375 per share monthly, which is effective for the October payment. Factoring in

this increase, Smart's stock would have a yield of approximately 5.6% today.

Which of these REITs should you buy today?

Cominar, RioCan, and Smart are three of the top investment options in the real estate investment trust industry. Foolish investors should take a closer look and strongly consider beginning to scale in to long-term positions in one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:REI.UN (RioCan Real Estate Investment Trust)

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