



3 REITs That Can Make Your Grandchildren Rich

Description

As Foolish investors know, dividend-paying stocks generate much 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. For these reasons, I think REITs should be the go-to stocks for seniors who are building portfolios for their grandchildren, so let's take a look at three with yields up to 5.3% to buy today.

1. Smart Real Estate Investment Trust

Smart REIT ([TSX:SRU.UN](#)) owns 138 shopping centres across Canada, which total approximately 30.8 million square feet of gross leasable area. It pays a monthly distribution of \$0.1375 per share, or \$1.65 per share annually, giving its stock a 5.3% yield at today's levels.

Investors must also note that Smart has raised its distribution for two consecutive years, and I think its increased amount of adjusted funds from operations, including 15% year-over-year growth to \$216.16 million in the first nine months of fiscal 2015, could allow this streak to continue in 2016.

2. Allied Properties Real Estate Investment

Allied Properties Real Estate Investment ([TSX:AP.UN](#)) owns 147 office properties in urban markets across Canada, which total approximately 10.5 million square feet of gross leasable area. It pays a monthly distribution of \$0.125 per share, or \$1.50 per share annually, giving its stock a 4.8% yield at today's levels.

It is also very important for investors to note that Allied has raised its annual distribution for four consecutive years, and the 2.7% increase it announced on December 9 puts it on pace for 2016 to mark the fifth consecutive year with an increase.

3. Canadian Apartment Properties REIT

Canadian Apartment Properties REIT ([TSX:CAR.UN](#)) owns multi-unit residential rental properties across Canada, including apartments, town homes, and manufactured home communities, and it

currently has interests in over 46,600 units. It pays a monthly distribution of \$0.10167 per share, or \$1.22 per share annually, giving its stock a 4.75% yield at today's levels.

Investors must also note that Canadian Apartment Properties has raised its distribution for four consecutive years, and I think its increased amount of normalized funds from operations, including 7.7% year-over-year growth to \$147.21 million in the first nine months of fiscal 2015, could allow this streak to continue in 2016.

Which of these REITs belong in your grandkids' portfolios?

Smart REIT, Allied Properties, and Canadian Apartment Properties could help put your grandchildren on the path to financial freedom, so take a closer look and strongly consider initiating positions in at least one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AP.UN (Allied Properties Real Estate Investment Trust)
2. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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