REITs That Hiked Their Monthly Dividends in 2015

Description

Investors like monthly dividend payers because it's easier to plan a monthly budget with a monthly income. Usually, a dividend that has been raised is safer than one that hasn't. To make your life easier, I've compiled a list of monthly real estate investment trusts (REITs) that hiked their dividends in 2015.

Since these REITs own real estate as their primary asset, they receive rent from their tenants every month. In turn, they pay out distributions every month to unitholders.

Canadian REIT (TSX:REF.UN) owns a diversified portfolio of 187 properties with 25 million square feet of gross leasable area. About 50% of its net operating income comes from retail properties, 25% comes from industrial properties, and about 25% comes from office properties.

Canadian REIT is a conservatively run business with a low payout ratio. It is the only publicly traded Canadian REIT that has increased distributions for 13 consecutive years. It last hiked its distribution by 2.9% in June, and its 4.2% yield is very safe.

Canadian Apartment Properties REIT (TSX:CAR.UN) is a quality residential REIT with only 6% of its portfolio in Alberta. It has interests in over 40,000 apartment and townhouse suites and over 6,000 land-lease sites.

It has increased distributions for four consecutive years, and it last hiked its distribution by 3.4% in May. With an occupancy rate of 98% and a payout ratio of about 70%, its yield of 4.5% is safe.

Plaza Retail REIT (TSX:PLZ.UN) has the expertise in-house to develop new retail properties. Doing so is more profitable than buying properties from third-party developers.

The REIT has interests in 306 properties across Canada that total seven million square feet. It has increased distributions for 12 consecutive years, and it last hiked its distribution by 4.2% in January. With an occupancy rate of 96% and a payout ratio of about 82%, its yield of 5.4% is safe.

Allied Properties Real Estate Investment (TSX:AP.UN) owns about 146 office properties that total 10.5 million square feet. It's a growth-oriented REIT because it has increased funds from operations

(FFO) per unit by 8% in 2013 and 2014. This is compared with office REITs such as **Dream Office Real Estate Investment Trst,** which only increased FFO per unit by 1% and 0%, respectively, in the same time frame.

Accordingly, the market commands a higher multiple for Allied Properties's shares with a price-to-book ratio of 1.0, compared with Dream Office's 0.5.

Allied Properties has increased distributions for two consecutive years, and it last hiked its distribution by 2.8% in December. Its adjusted FFO payout ratio of about 82% gives a margin of safety for its 4.7% yield.

Conclusion

If you're looking for a safe monthly income, these REITs, which have increased their distributions in 2015, are a good start. They are backed by real estate assets and have excellent management teams.

REITs pay out distributions that are unlike dividends. Interested investors should consult their tax advisors to find out the most appropriate account to invest in.

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:PLZ.UN (Plaza Retail REIT)

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Date
2025/08/21
Date Created
2015/12/30
Author
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