



Start Earning Monthly Income Today With 1 of These 3 REITs

Description

If you're interested in earning monthly income, whether it's to help pay your bills or to help you beat the market in today's volatile times, then real estate investment trusts should interest you.

Real estate investment trusts, or REITs for short, own or finance income-producing real estate and pay out close to 100% of their taxable income to shareholders, which results in very high yields. The safety of these yields is also very easy to confirm; all an investor needs to do is make sure that the company's funds from operations per share meet or exceed its distributions per share. Or if it provides its payout ratio, make sure that it does not exceed 100%.

With all of this being said, finding the right REIT to buy can still be a tough task. Fortunately for those of you reading this article, I've done the hard part and selected three great options, so let's take a quick look at each to determine which belongs in your portfolio.

1. Dream Industrial Real Estate Investment Trust

Dream Industrial Real Estate Invest Trst ([TSX:DIR.UN](#)) is one of the largest pure-play industrial REITs in Canada with 221 primarily light industrial properties that total approximately 17.1 million square feet of gross leasable area. It pays a monthly distribution of \$0.05833 per share, or \$0.70 per share annually, which gives its stock a yield of about 9.25% at today's levels.

Investors should also note that Dream Industrial has maintained this annual rate since 2014. However, I think its increased amount of funds from operations, including 4% year-over-year growth to an adjusted \$0.823 per share fiscal 2015, and its reduced payout ratio, including 85.1% in fiscal 2015 compared with 88.5% in fiscal 2014, could allow for a slight increase at some point in 2016.

2. CT Real Estate Investment Trust

CT Real Estate Investment Trust ([TSX:CRT.UN](#)) is one of Canada's largest owners of commercial real estate with over 290 properties that total over 21.5 million square feet of gross leasable area. It pays a monthly distribution of \$0.05667 per share, or \$0.68 per share annually, which gives its stock a yield of about 4.7% at today's levels.

Investors must also make two notes.

First, CT has raised its annual distribution for two consecutive years, and its 2.6% hike in November 2015, which was effective for its January 2016 payment, has it on pace for 2016 to mark the third consecutive year with an increase.

Second, I think its increased amount of funds from operations, including 9.8% year-over-year growth to an adjusted \$0.808 per share in fiscal 2015, and its low payout ratio, including 82.1% in fiscal 2015 compared with 88.3% in fiscal 2014, could allow for another distribution hike in the near future.

3. Canadian Apartment Properties REIT

Canadian Apartment Properties REIT ([TSX:CAR.UN](#)) is one of Canada's largest residential landlords with ownership interests in 46,790 residential units, including 40,501 residential suites and 30 manufactured home communities comprising of 6,289 land lease sites. It pays a monthly distribution of \$0.10166 per share, or \$1.22 per share annually, which gives its stock a yield of about 4.25% at today's levels.

It is also important for investors to make two notes.

First, Canadian Apartment Properties has raised its annual distribution for four consecutive years, and its 3.4% hike in May 2015 has it on pace for 2016 to mark the fifth consecutive year with an increase.

Second, the company has a long-term target payout ratio of 70-80% of its normalized funds from operations, so I think its record portfolio growth in fiscal 2015 sets it up nicely to grow its funds from operations and continue its streak of annual distribution increases going forward.

Which of these REITs belongs in your portfolio?

Dream Industrial REIT, CT REIT, and Canadian Apartment Properties REIT are three of the best investment options for investors that are interested in earning monthly income. Take a closer look and strongly consider initiating positions in one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSX:DIR.UN (Dream Industrial REIT)

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