



## 3 REITs With Yields Over 5% to Buy Today

### Description

If you're a fan of real estate investment trusts, but cannot figure out which one to buy today, then this article is for you. I scoured the industry and selected three great options with high and safe yields over 5%, so let's take a quick look at each to determine which would be the best fit for your portfolio.

#### 1. H&R Real Estate Investment Trust

**H&R Real Estate Investment Trust** ([TSX:HR.UN](#)) is one of the largest diversified REITs in Canada with 517 office, retail, industrial, and residential properties that total approximately 47.2 million square feet. It pays a monthly distribution of \$0.1125 per share, or \$1.35 per share annually, which gives its stock a yield of about 6.9% at today's levels.

Investors should also note that H&R has maintained its current annual rate since 2013. However, I think its increased amount of funds from operations, including 3.7% year-over-year growth to \$1.95 per share in fiscal 2015, and its reduced payout ratio, including 69.2% in fiscal 2015 compared with 71.8% in fiscal 2014, could allow it to announce a slight increase at some point in 2016.

#### 2. Morguard Real Estate Investment Trust

**Morguard Real Estate Inv.** ([TSX:MRT.UN](#)) owns a diversified portfolio of 50 retail, office, and industrial properties that total approximately 8.8 million square feet of leasable space. It pays a monthly distribution of \$0.08 per share, or \$0.96 per share annually, which gives its stock a yield of about 6.85% at today's levels.

Investors should also note that Morguard has maintained its current annual rate since 2013, and I think its consistent funds from operations, including an adjusted \$1.28 per share in both fiscal 2015 and fiscal 2014, could allow it to continue doing so going forward.

#### 3. Killam Apartment REIT

**Killam Apartment REIT** ([TSX:KMP.UN](#)) is one of Canada's largest residential landlords with 176 apartment properties and 35 manufactured home communities across the country. It pays a monthly

distribution of \$0.05 per share, or \$0.60 per share annually, which gives its stock a yield of about 5.4% at today's levels.

Investors should also note that Killam has maintained its current annual rate since 2014. However, I think its increased amount of funds from operations, including 11.5% year-over-year growth to an adjusted \$0.68 per share in fiscal 2015, and its low payout ratio, including an adjusted 87.7% in fiscal 2015 compared with an adjusted 98.1% in fiscal 2014, could allow for a significant increase within the next few months.

### **Should you buy one of these REITs today?**

H&R, Morguard, and Killam Apartment are three of the most attractive investment options in the REIT industry today. Foolish investors should take a closer look and strongly consider beginning to scale in to positions in one of them over the next couple of trading sessions.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:HR.UN (H&R Real Estate Investment Trust)
2. TSX:KMP.UN (Killam Apartment REIT)
3. TSX:MRT.UN (Morguard Real Estate Investment Trust)

### **Category**

1. Dividend Stocks
2. Investing

### **Date**

2025/08/28

### **Date Created**

2016/02/19

### **Author**

jsolitro

default watermark