Get Rich Slowly With 1 of These 3 REITs

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 have some of the highest yields in the market today. For these reasons, I think all long-term investors should own at least one REIT, but finding the right one can be a very tough task.

Fortunately for those of you who are 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 would fit best in your portfolio.

1. NorthWest Healthcare Properties Real Estate Investment Trust

NorthWest Health Prop Real Est Inv Trust (<u>TSX:NWH.UN</u>) is one of the largest owners and operators of healthcare real estate in Canada, Germany, Australia, New Zealand, and Brazil with 122 properties that total approximately eight million square feet of gross leasable area. It pays a monthly distribution of \$0.06667 per share, or \$0.80 per share annually, which gives its stock a yield of about 8.7% at today's levels.

Investors should also note that NorthWest has maintained its current annual rate since 2011, and I think its consistent funds from operations, including \$0.82 per share in fiscal 2014 and \$0.61 per share in the first nine months of fiscal 2015, will allow it to continue to do so going forward.

2. RioCan Real Estate Investment Trust

RioCan Real Estate Investment Trust (<u>TSX:REI.UN</u>) is Canada's largest REIT with ownership interests in 305 retail and mixed-use properties that total approximately 46 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 yield of about 5.5% at today's levels.

Investors should also note that RioCan has maintained its current rate since 2013. However, I think its increased amount of funds from operations, including 4% year-over-year growth to \$1.57 per share in fiscal 2015, and its reduced payout ratio, including 90.4% in fiscal 2015 compared with 93.4% in fiscal 2014, could allow it to announce a slight increase in the very near future.

3. Choice Properties Real Estate Investment Trust

Choice Properties Real Est Invstmnt Trst (TSX:CHP.UN) is one of the largest owners and operators of commercial real estate in Canada with 519 properties that total approximately 41.6 million square feet of gross leasable area. It pays a monthly distribution of \$0.055833 per share, or \$0.67 per share annually, which gives its stock a yield of about 5.4% at today's levels.

It is also important for investors to note that Choice Properties raised its distribution by 3.1% in November 2015, effective for its January 2016 payment, and this was its first increase since it went public in July 2013.

Which of these REITs belongs in your portfolio?

NorthWest Healthcare Properties REIT, RioCan REIT, and Choice Properties REIT can help you get rich slowly, so take a closer look and strongly consider initiating positions in one of them today.

CATEGORY

- 1. Dividend Stocks
- 2. Investing

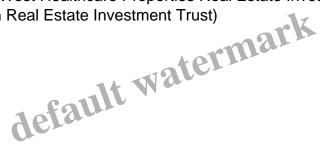
TICKERS GLOBAL

- 1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
- 2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
- 3. TSX:REI.UN (RioCan Real Estate Investment Trust)

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