



Attention Retirees: Buy 1 of These 3 REITs for Monthly Income

Description

As savvy investors know, dividend-paying stocks far outperform non-dividend-paying stocks over the long term. However, if you receive your cheques in the mail to live off of, as many retirees do, then there is one major issue: our bills arrive monthly, but our dividend cheques arrive quarterly.

Fortunately, there are stocks out there that pay dividends on a monthly basis, like real estate investment trusts (REITs), making everything much easier.

With this in mind, let's take a look at three REITs with high and safe yields of 6-9% that you could add to your portfolio today.

1. Northview Apartment REIT

Northview Apartment REIT (TSX:NVU.UN) is the third-largest publicly traded multi-family REIT in Canada with over 24,000 residential suites in more than 60 markets across eight provinces and two territories. It currently pays a monthly distribution of \$0.1358 per share, or \$1.6296 per share annually, which gives its stock a yield of about 8.8% at today's levels.

Investors must also note that Northview has raised its annual distribution for three consecutive years, and I think its ample funds from operations, including \$2.34 per share in fiscal 2015, and its low payout ratio, including 69% in the same period, could allow it to continue this streak in 2016.

2. American Hotel Income Properties REIT LP

American Hotel Income Properties REIT LP ([TSX:HOT.UN](#)) owns and operates 80 hotels in 27 states in the U.S. that are engaged primarily in the railway employee accommodation, transportation, and contract-focused lodging sectors. It currently pays a monthly distribution \$0.075 per share, or \$0.90 per share annually, which gives its stock a yield of about 8.7% at today's levels.

Investors must also make two notes.

First, American Hotel has maintained its current annual distribution rate since it went public in 2013.

Second, in January the company announced that it would be converting to U.S.-dollar-denominated distributions in April, and this will bring its monthly distribution to US\$0.054 per share. It went on to note that making this move would yield numerous benefits, including these three:

- It will better align its distributions to its cash flow, all of which are generated in the U.S.
- It will eliminate the requirement for costly currency-hedging strategies
- It will reduce its pro-forma adjusted funds from operations payout ratio to approximately 75%

3. Pure Industrial Real Estate Trust

Pure Industrial Real Estate Trust (TSX:AAR.UN) is one of the largest owners and operators of industrial properties in Canada and the United States with 169 properties that total approximately 17.35 million square feet of gross leasable area. It currently pays a monthly distribution of \$0.026 per share, or \$0.312 per share annually, which gives its stock a yield of about 6.7% at today's levels.

Investors should note that Pure Industrial has maintained its current annual distribution rate since 2013. However, I think its increased amount of distributable income, including 8.1% year-over-year growth to \$0.40 per share in fiscal 2015, and its reduced payout ratio, including 77.1% in fiscal 2015 compared with 85.6% in fiscal 2014, could allow it to announce a distribution hike within the next few months.

Should you buy one of these REITs for monthly income?

Northview Apartment REIT, American Hotel Income Properties, and Pure Industrial REIT can provide you with the monthly income that you need, 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:HOT.UN (American Hotel Income Properties REIT LP)

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