



## Get Rich Slowly With These 3 Residential REITs

### Description

Real estate is one of the world's most popular investments, but buying and managing a rental property is not for everyone. Fortunately, there are real estate investment trusts (REITs), which can give you the benefits of owning real estate without the hassles that come with being a landlord. With this in mind, let's take a look at three residential REITs with yields of 3-5% that you could buy today.

#### 1. Milestone Apartments Real Estate Investment Trust

**Milestone Apartments Real Estate Inv't Tr** (TSX:MST.UN) is one of the largest residential landlords in the United States with 72 multi-family residential properties located across 14 major metropolitan markets that consist of 22,546 apartment units. It pays a monthly distribution of US\$0.04583 per share, or US\$0.55 per share annually, which gives its stock a yield of about 4.5% at today's levels.

It is also important to make two notes.

First, Milestone announced an 11% hike to its distribution in October 2015, effective for its January 2016 payment, and this puts it on pace for 2016 to mark the first year in which it has raised its annual distribution since it went public in 2013.

Second, I think the company's very strong growth rate of funds from operations, including its 13.1% year-over-year increase to US\$0.95 per share in fiscal 2015, its low payout ratio, including one that is expected to remain below 60% in 2016, and its continued portfolio expansion set it up nicely to announce another double-digit percentage distribution hike later this year.

#### 2. Boardwalk REIT

**Boardwalk REIT** ([TSX:BEI.UN](#)) is one of the largest residential landlords in Canada with more than 200 communities across four provinces that consist of 32,947 residential units. It pays a monthly distribution of \$0.1875 per share, or \$2.25 per share annually, which gives its stock a yield of about 4.5% at today's levels.

It is also important to make two notes.

First, Boardwalk has raised its regular annual distribution for four consecutive years, and its 10.3% hike in February has it on pace for 2016 to mark the fifth consecutive year with an increase.

Second, the company has paid out special distributions each of the last two years, including a \$1.40 distribution in December 2014 and a \$1.00 distribution in December 2015, and I think its strong growth rate of funds from operations, including its 5.9% year-over-year increase to an adjusted \$3.23 per share in fiscal 2015, and its portfolio expansion targets will allow it to continue this tradition in 2016.

### 3. Interrent Real Estate Investment Trust

**Interrent Real Estate Investment Trust** ([TSX:IIP.UN](https://www.tsx.com/quote/IIP.UN)) is one of the largest owners of multi-family residential properties in Ontario's mid-sized population markets with 8,389 suites available for lease. It pays a monthly distribution of \$0.01925 per share, or \$0.231 per share annually, which gives its stock a yield of about 3.2% at today's levels.

It is also important to make two notes.

First, Interrent has raised its annual distribution for four consecutive years, and its 5% hike in November 2015 has it on pace for 2016 to mark the fifth consecutive year with an increase.

Second, I think the company's very strong growth rate of funds from operations, including its 9.3% year-over-year increase to an adjusted \$0.305 per share in fiscal 2015, and its rapid portfolio expansion will allow its streak of annual distribution increases to continue going forward.

### CATEGORY

1. Dividend Stocks
2. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. TSX:BEI.UN (Boardwalk Real Estate Investment Trust)

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**Author**

jsolitro

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