



Want Monthly Income? These 3 Industrial REITs Yield 6-9%

Description

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

REITs 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 are also very easy to confirm; all an investor needs to do is make sure that the company's funds from operations per share meets or exceeds 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, let's take a look at three industrial REITs with high and safe yields of 6-9% that you could buy right now.

1. Dream Industrial Real Estate Investment Trust

Dream Industrial Real Estate Invest Trst ([TSX:DIR.UN](#)) owns a portfolio of 219 primarily light industrial properties comprising of approximately 17 million square feet of gross leasable area in key industrial markets across Canada. It pays a monthly distribution of \$0.05833 per share, or \$0.70 per share annually, which gives its stock a yield of about 8.8% at today's levels.

Investors must also make two notes.

First, Dream Industrial has maintained its current monthly distribution rate since April 2013.

Second, I think its increased amount of funds from operations, including its 4% year-over-year increase to an adjusted \$0.823 per share in fiscal 2015, and its low payout ratio, including 85.1% in fiscal 2015 compared to 88.5% in fiscal 2014, could allow it to announce a slight distribution hike in the second half of this year.

2. Pure Industrial Real Estate Trust

Pure Industrial Real Estate Trust (TSX:AAR.UN) owns a portfolio of 170 industrial properties

comprising of approximately 17.4 million square feet of gross leasable area in leading markets across Canada and the United States. It 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 must also make two notes.

First, Pure Industrial has maintained its current monthly distribution rate since November 2012.

Second, I think its increased amount of distributable income, including its 8.1% year-over-year increase to \$0.40 per share in fiscal 2015, and its low payout ratio, including 77.1% in fiscal 2015 compared to 85.6% in fiscal 2014, could allow it to announce a double-digit percentage distribution hike in the very near future.

3. Granite Real Estate Investment Trust

Granite Real Estate Investment Trust ([TSX:GRT.UN](#))(NYSE:GRP) owns a portfolio of 98 predominantly industrial properties comprising of approximately 30.5 million square feet of gross leasable area across North America and Europe. It pays a monthly distribution of \$0.203 per share, or \$2.44 per share annually, which gives its stock a yield of about 6.5% at today's levels.

Investors must also make two notes.

First, Granite has raised its annual distribution for five consecutive years, and its 5.7% hike on March 2 has it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, I think its consistent growth in funds from operations, including its 3.1% year-over-year increase to \$3.37 per share in fiscal 2015, will allow its streak of annual distribution increases to continue going forward.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:GRT.UN (Granite Real Estate Investment Trust)

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