



## 3 REITs to Buy for Your Grandchildren

### 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 (REITs) have some of the highest yields in the market today. For these reasons, I think REITs should be the go-to stocks for seniors who are building portfolios for their grandchildren, so let's take a quick look at three with yields of 4-9% that you could buy today.

#### 1. Choice Properties Real Estate Investment Trust

**Choice Properties Real Est Invstmnt Trst** ([TSX:CHP.UN](#)) is one of the largest owners, developers, and managers of commercial real estate in Canada with 519 properties totaling approximately 41.6 million square feet. It pays a monthly distribution of \$0.055833 per share, or \$0.67 per share annually, which gives its stock a yield of approximately 5.1% at today's levels.

It is also important for investors to make two notes.

First, Choice Properties's 3.1% distribution hike in November 2015, which was effective for its January 2016 payment, has 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 strong growth of funds from operations (FFO), including its 6.3% year-over-year growth to \$0.203 per share in the first quarter of fiscal 2016, its modest payout ratio, including 82.7% of its FFO in the first quarter, its high occupancy rate, including 98.7% at the end of the first quarter, and its growing asset base, including the addition of 44 properties over the last year, will allow its streak of annual distribution increases to continue for many years to come.

#### 2. Brookfield Canada Office Properties

**Brookfield Canada Office Properties** (TSX:BOX.UN)(NYSE:BOXC) owns and operates a portfolio of 26 “premier” office properties totaling approximately 20 million square feet in the downtown cores of Toronto, Calgary, and Ottawa. It pays a monthly distribution of \$0.1092 per share, or \$1.31 per share annually, which gives its stock a yield of approximately 4.8% at today’s levels.

It is also important for investors to make two notes.

First, Brookfield’s 5.7% distribution hike in January, which was effective for its March payment, has it on pace for 2016 to mark the sixth consecutive year in which it has raised its annual distribution.

Second, I think the company’s strong growth of adjusted funds from operations (AFFO), including its 9.7% year-over-year growth to \$0.34 per share in the first quarter of fiscal 2016, its high occupancy rate, including 95.2% at the end of the first quarter, and the continued development of its Brookfield Place Calgary East property, which is a 56-storey office tower that totals 1.4 million square feet and is on pace to be completed in late 2017, will allow its streak of annual distribution increases to continue going forward.

### **3. Dream Industrial Real Estate Investment Trust**

**Dream Industrial Real Estate Invest Trst** ([TSX:DIR.UN](#)) owns and operates a portfolio of 219 light industrial properties totaling approximately 17 million square feet 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 approximately 8.45% at today’s levels.

It is also important for investors to make two notes.

First, Dream Industrial has maintained its current annual distribution rate since 2014.

Second, I think the company’s consistent funds from operations, including the \$0.202 per share it generated in the first quarter of fiscal 2016, its modest payout ratio, including 86.6% in the first quarter, and its high occupancy rate, including 94.7% at the end of the first quarter, will allow it to continue to maintain its current distribution rate going forward.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
2. TSX:DIR.UN (Dream Industrial REIT)

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### Tags

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