



Buy 1 of These 3 REITs for a Steady Stream of Income

Description

If you want to buy stocks to generate a steady stream of monthly income, whether it's to 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 is also very easy to confirm; all an investor needs to do is make sure the company's funds from operations per share meet or exceed 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 REITs with high and safe yields of 6-9% that you could buy today.

1. Crombie Real Estate Investment Trust

Crombie Real Estate Investment Trust ([TSX:CRR.UN](https://www.crombie-reit.com/TSX:CRR.UN)) is one of Canada's largest owners and operators of commercial real estate with 252 retail and office properties across the country that total approximately 17 million square feet. It pays a monthly distribution of \$0.07417 per share, or \$0.89 per share annually, which gives its stock a yield of about 6% at today's levels.

Investors should also make the following two notes.

First, Crombie has maintained its current annual distribution rate since 2009.

Second, I think the company's increased amount of adjusted funds from operations (AFFO), including its 4.3% year-over-year increase to \$0.24 per share in the first quarter of fiscal 2016, and its reduced payout ratio, including 91.5% of its AFFO in the first quarter compared with 97.2% in the year-ago period, could allow it to announce a slight distribution hike before the end of the year.

2. 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 across eight provinces and two territories, and it also owns a portfolio of commercial properties focused on government and quality corporate tenancies. It pays a monthly distribution of \$0.1358 per share, or \$1.6296 per share annually, which gives its stock a yield of about 8.15% at today's levels.

Investors should also make the following two notes.

First, Northview has raised its annual distribution for three consecutive years.

Second, I think the company's increased amount of funds from operations (FFO), including its 9.6% year-over-year increase to \$0.57 per share in the first quarter of fiscal 2016, and its low payout ratio, including 71.7% of its FFO in the first quarter, will allow it to continue its streak of annual distribution increases, and it could announce a slight hike in the very near future.

3. Morguard Real Estate Investment Trust

Morguard Real Estate Inv. ([TSX:MRT.UN](#)) owns a diversified portfolio of 50 retail, office, and industrial properties across six provinces that total approximately 8.8 million square feet. It pays a monthly distribution of \$0.08 per share, or \$0.96 per share annually, which gives its stock a yield of about 6.3% at today's levels.

Investors should also make the following two notes.

First, Morguard has maintained its current annual distribution rate since 2013.

Second, I think the company's consistent amount of AFFO, including \$0.31 per share in the first quarter of fiscal 2016, paired with its low payout ratio, including 77.4% of its AFFO in the first quarter, and its high occupancy rate, including 97% at the end of the first quarter, could allow it to announce a slight distribution hike before the end of the year.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:CRR.UN (Crombie Real Estate Investment Trust)
2. TSX:MRT.UN (Morguard Real Estate Investment Trust)

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