



3 REITs to Buy for a Steady Stream of Monthly Income

Description

Investing in monthly dividend stocks is a great way to supplement your income, and real estate investment trusts (REITs) offer some of the best opportunities to do so. Let's take a quick look at three with yields of 3-4% that you could add to your portfolio today.

1. Chartwell Retirement Residences

Chartwell Retirement Residences ([TSX:CSH.UN](#)) is the largest owner and operator of senior housing communities in Canada. It has full ownership of 132 communities with a total of 16,617 suites, it has partial ownership of 47 communities with a total of 8,322 suites, and it manages seven communities with a total of 1,117 suites in Ontario, Quebec, British Columbia, and Alberta.

It pays a monthly distribution of \$0.046818 per share, or \$0.561816 per share annually, which gives its stock a yield of about 3.8% at today's levels.

It's also very important to make the follow two notes about its distribution.

First, Chartwell's 2% distribution hike in February has it on pace for 2016 to mark the second consecutive year in which it has raised its annual distribution.

Second, I think the company's strong growth of adjusted funds from operations, including its 23.5% year-over-year increase to \$0.21 per share in the first quarter of 2016, its low payout ratio, including 64.7% in the first quarter, and the growing demand for senior living and care services, will allow its streak of annual distribution increases to continue for many years to come.

2. 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. It owns and operates 72 apartment communities comprised of 22,546 units located across 14 major metropolitan markets in the southeastern and southwestern United States.

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 3.8% at today's levels.

It's also very important to make the follow two notes about its distribution.

First, Milestone's 11% distribution hike in October 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 became a public company in 2013.

Second, I think the company's strong growth of adjusted funds from operations, including its 8.7% year-over-year increase to US\$0.25 per share in the first quarter of 2016, its low payout ratio, including 64% in the first quarter, and its rapidly growing property portfolio, including its addition of 13 properties totaling 2,802 apartment units over the last year, will allow 2016 to mark the starting point to an extensive streak an annual distribution increases.

3. Interrent Real Estate Investment Trust

Interrent Real Estate Investment Trust ([TSX:IIP.UN](https://www.tsx.com/stocks/interrent-real-estate-investment-trust)) is one of the largest residential landlords to mid-sized population markets in Ontario and Quebec with 8,362 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% at today's levels.

It's also very important to make the follow two notes about its distribution.

First, Interrent's 5% distribution hike in November 2015 has it on pace for 2016 to mark the fifth consecutive year in which it has raised its annual distribution.

Second, I think the company's very strong growth of adjusted funds from operations, including its 21.1% year-over-year increase to \$0.069 per share in the first quarter of 2016, its modest payout ratio, including 83.8% in the first quarter, and its rapidly growing property portfolio, including its addition of 1,377 residential suites over the last year, will allow its streak of annual distribution increases to continue going forward.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CSH.UN (Chartwell Retirement Residences)

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