



Attention Retirees: Let These REITs Pay Your Bills for You

Description

As history has shown, owning a portfolio of dividend-paying stocks is the best way to build wealth over the long term. However, if you receive your cheques in the mail to live off of, as many retirees do, there is one major problem: our bills arrive monthly, but our cheques arrive quarterly.

Fortunately, there are stocks out there that pay dividends on a monthly basis, such as real estate investment trusts (REITs), which makes everything much easier.

With this in mind, let's take a look at three high-quality REITs with yields of 4-7% that you could buy right now.

1. CT Real Estate Investment Trust

CT Real Estate Investment Trust ([TSX:CRT.UN](https://www.tsx.com/stocks/quotes/CRT.UN)) is one of the largest owners and operators of commercial real estate in Canada with 298 properties that total over 22.7 million square feet.

It pays a monthly distribution of \$0.05667 per share, or \$0.68 per share annually, which gives its stock a yield of about 4.55% at today's levels.

It's also important to make two notes.

First, CT has raised its annual distribution for two consecutive years, and its 2.6% hike that took effect in January has it on pace for 2016 to mark the third consecutive year with an increase.

Second, I think the company's consistent growth of adjusted funds from operations (AFFO), including its 3% year-over-year increase to \$0.206 per share in the first quarter of 2016, its low payout ratio, including 83% of its AFFO in the first quarter, and its very high 99.9% occupancy rate at the end of the first quarter will allow its streak of annual distribution increases to continue for many years to come.

2. Pure Industrial Real Estate Trust

Pure Industrial Real Estate Trust (TSX:AAR.UN) is one of the largest owners and operators of

industrial properties in North America with 168 properties across Canada and the United States that total over 17.7 million square feet.

It pays a monthly distribution of \$0.026 per share, or \$0.312 per share annually, which gives its stock a yield of about 6.2% at today's levels.

It's also important to make two notes.

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

Second, I think the company's consistent flow of AFFO, including \$0.09 per share in the first quarter of 2016, its modest payout ratio, including 85.2% in the first quarter, and its high 95.3% occupancy rate at the end of the first quarter will allow it to continue to maintain its current annual distribution rate going forward.

3. Canadian Apartment Properties REIT

Canadian Apartment Properties REIT ([TSX:CAR.UN](#)) is one of Canada's largest residential landlords, serving over 47,400 families across the country through its ownership interests in apartments, townhomes, and manufactured home communities.

It pays a monthly distribution of \$0.10166 per share, or \$1.22 per share annually, which gives its stock a yield of about 4% at today's levels.

It's also important to make two notes.

First, Canadian Apartment Properties has raised its annual distribution for four consecutive years, and its 3.4% hike in May 2015 has it on pace for 2016 to mark the fifth consecutive year with an increase.

Second, the company has a long-term target payout range of 70-80% of its normalized funds from operations (NFFO), so I think its consistent growth, including its 4.1% year-over-year increase to \$0.409 per share in the first quarter of 2016, its reduced payout ratio, including 75.8% of its NFFO in the first quarter compared with 77.8% in the year-ago quarter, and its very high 98.3% occupancy rate at the end of the first quarter will allow its streak of annual distribution increases to continue for the foreseeable future.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)

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