



## 2 High-Quality REITs With +4% Yields

### Description

If you're interested in investing in a real estate investment trust (REIT), whether you're looking to supplement your income or simply want exposure to the real estate industry, then you've come to the right place. I've scoured the industry and selected two high-quality investment options, so let's take a closer look at each company, their financial performances in the first half of 2016, and their distributions, so you can determine which would be the best fit for your portfolio.

#### Choice Properties Real Estate Investment Trust

##### *Overview of the company*

**Choice Properties Real Est Invstmnt Trst** ([TSX:CHP.UN](#)) is one of Canada's largest owners, managers, and developers of commercial real estate. Its portfolio consists of 529 properties, comprising of 510 retail properties, 12 warehouses, one industrial property, one office property, and five pieces of land. These properties are located across all 10 provinces and span approximately 42.5 million square feet.

##### *A very strong financial performance*

On July 20, Choice Properties released very strong earnings results for its six-month period ended on June 30, 2016. Here's a quick breakdown of five of the most notable statistics from the report compared with its results in the same period a year ago:

1. Rental revenue increased 6.8% to \$389.59 million
2. Net operating income increased 6.8% to \$269.17 million
3. Adjusted funds from operations increased 9.6% to \$166.47 million
4. Adjusted funds from operations per share increased 6.5% to \$0.407
5. Ended the quarter with a 98.8% occupancy rate, which is well above the Canadian national average of 89.1%

##### *A distribution you can count on*

Choice Properties pays a monthly distribution of \$0.059167 per share, or \$0.71 per share on an annualized basis, which gives its stock a very high yield of about 4.85%. This yield is also very safe given its ample generation of adjusted funds from operations, including the aforementioned \$0.407 per share it generated in the first half of 2016.

Investors must also note that Choice Properties's two distribution hikes this year, including its 3.1% hike in January and its 6% hike last week, have it on pace for 2016 to mark the first year in which it has raised its annual distribution since it went public in 2013, and its very strong financial performance could allow this to mark the starting point to an extensive streak of annual increases.

## **Brookfield Canada Office Properties**

### *Overview of the company*

**Brookfield Canada Office Properties** (TSX:BOX.UN)(NYSE:BOXC) is one of Canada's largest owners, managers, and developers of office properties. Its portfolio consists of 26 premier office properties, comprising of approximately 20 million square feet in the downtown cores of Toronto, Calgary, and Ottawa.

### *A very strong financial performance*

On July 25, Brookfield released very strong earnings results for its six-month period ended on June 30, 2016. Here's a quick breakdown of five of the most notable statistics from the report compared with its results in the same period a year ago:

1. Adjusted commercial property revenue increased 5.1% to \$266.9 million
2. Net operating income increased 8.3% to \$137.5 million
3. Adjusted funds from operations increased 9.5% to \$62 million
4. Adjusted funds from operations per share increased 8.2% to \$0.66 per share
5. Ended the quarter with a 93.7% occupancy rate, which is well above the Canadian national average of 89.1%

### *A distribution you can count on*

Brookfield pays a monthly distribution of \$0.1092 per share, or \$1.31 per share on an annualized basis, which gives its stock a very high yield of about 4.5%. This yield is also very safe given its ample generation of adjusted funds from operations, including the aforementioned \$0.66 per share it generated in the first half of 2016.

Investors must also note that Brookfield's 5.7% distribution hike in January has it on pace for 2016 to mark the sixth consecutive year in which it has raised its annual distribution, and its very strong financial performance could allow this streak to continue for many years to come.

## **CATEGORY**

1. Dividend Stocks
2. Investing

## **TICKERS GLOBAL**

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)

**Category**

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