

2 REITs With High and Safe Yields of 4-5%

Description

Investing in real estate investment trusts (REITs) is a great way to diversify your portfolio while adding a reliable stream of monthly income. If you're interested in doing these two things, then check out these two REITs with high and safe yields of 4-5% that you could buy today.

1. CT Real Estate Investment Trust

CT Real Estate Investment Trust ([TSX:CRT.UN](#)) is one of Canada's largest owners and operators of commercial real estate with 301 predominantly retail properties, comprising of over 22.9 million square feet.

It currently pays a monthly distribution of \$0.05667 per share, representing \$0.68 per share on an annualized basis, and this gives its stock a high yield of about 4.6% at today's levels. This yield is also very safe when you consider that its adjusted funds from operations (AFFO) totaled \$0.417 per share and its distributions totaled \$0.34 per share in the first half of 2016, resulting in a rock-solid 81.5% payout ratio.

Investors should also make the following two notes about CT's distribution.

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

Second, its increased amount of AFFO, including its 4.3% year-over-year increase to \$0.417 per share in the first half of 2016, its reduced payout ratio, including 81.5% in the first half of 2016 compared with 83% in the year-ago period, and its incredibly high occupancy rate, including 99.7% as of June 30, could allow its streak of annual distribution increases to continue for many years to come.

2. RioCan Real Estate Investment Trust

RioCan Real Estate Investment Trust ([TSX:REI.UN](#)) is Canada's largest owner and operator of shopping centres with ownership interests in 302 retail properties, including 15 under development, comprising of approximately 45.2 million square feet.

It currently pays a monthly distribution of \$0.1175 per share, representing \$1.41 per share on an annualized basis, and this gives its stock a very high yield of about 4.95% at today's levels. This yield is also very safe when you consider that its AFFO totaled \$0.79 per share and its distributions totaled \$0.705 per share in the first half of 2016, resulting in a sound 89.2% payout ratio.

Investors should also make the following two notes about RioCan's distribution.

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

Second, its consistent generation of AFFO, including \$1.57 per share in 2015 and \$0.79 per share in the first half of 2016, its reduced payout ratio, including 89.9% in the first half of 2016 compared with

90.4% in the year-ago period, and its very high occupancy rate, including 95.1% as of June 30, could allow it to continue to maintain its current annual distribution rate for the foreseeable future.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

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