



## 1 Canadian REIT That's a Screaming Buy for 2017

### Description

There's no question that REITs are going to experience major headwinds over the next few years as the U.S. Federal Reserve begins raising interest rates. The long-term profitability of REITs will be affected, and we may see their sky-high dividend yields come down.

Many retirees rely on the high income provided by REITs. Future dividend payouts could be in jeopardy because of the trend of a rising interest rate environment. What should the average REIT investor do?

A Foolish investor should only select the highest quality of REITs to have in their portfolio. This means picking only REITs that have a nice history of dividend increases and no history of dividend cuts. These REITs should be stable enough to survive a future economic downturn.

One high-quality REIT that comes to mind is **Choice Properties Real Estate Investment Trust** ([TSX:CHP.UN](#)). The company owns over 43.3 million square feet of leasable area across Canada with a focus on supermarket-anchored shopping centres.

Supermarkets are an incredibly defensive industry, and if there's a recession looming around the corner, then you can bet that people will still be heading to their local supermarket to get a week's supply of groceries. People still have to eat, and this will never change, even during the harshest of recessions.

One thing that I love about Choice Properties REIT is the fact that its primary tenant is **Loblaw Companies Limited** ([TSX:L](#)), which is Canada's largest and strongest grocery retailer. Loblaw has some of the best prices in the grocery store industry with off-brand names, such as no-name, which are cheap, generic alternatives to popular grocery products.

The management team at Choice Properties is top notch. CEO John Morrison has over 35 years of experience in the real estate industry, and you can count on him to provide strong leadership for the company.

Choice Properties REIT is a fairly new stock, as its only been around for two-and-a-half years, but the

foundation is solid. You get the safety of a REIT combined with the defensive nature of the grocery store sector.

The stock currently yields a very bountiful 5.35% dividend yield, which is expected to grow steadily over the next few years. The reason I love this stock is because I know the dividend will be safe through thick and thin due to the low vacancy rates that are expected over the next decade thanks to a solid Loblaw, which is the best anchor anyone could ask for.

If you're an income investor looking for a safe and stable REIT, then look no further than Choice Properties REIT.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
2. TSX:L (Loblaw Companies Limited)

## PARTNER-FEEDS

1. Msn
2. Yahoo CA

## Category

1. Investing

## Date

2025/08/25

## Date Created

2016/12/30

## Author

joefrenette

default watermark

default watermark