



## 2 REITs With Incredible Income Potential

### Description

Finding the right investment mix can be tricky. Some investors opt to look for growth, while others prefer investing in a stock that will provide a steady stream of income. There are even some stocks that provide a good mix of both, with moderate growth coming at the expense of a handsome payout.

Real Estate Investment Trusts (REITs) are an interesting twist to a traditional investment. For those unaware of these companies, they are as close as an investor can get to feeling like a landlord without actually getting a mortgage and hunting down monthly rent from tenants.

REITs invest in a large number of properties and there are therefore diversified nicely. REITs provide a distribution to shareholders, generally on a monthly basis, much like a landlord's rental income. But because the REIT is managed and can contain hundreds of units in a single portfolio, there is a much less risk to carry.

Here are some REITs for investors to consider.

#### **Slate Office REIT**

**Slate Office REIT** (TSX:SOT.UN) has caught my attention recently. It represents a unique opportunity for investors in the REIT space and, unlike many other REITs, Slate operates in a less competitive, and arguably more lucrative, space.

Slate launched just a few years ago and has quickly become a welcome alternative to typical office REITs. Slate prides itself on identifying and acquiring office locations that are often overlooked by other organizations that tend to focus on larger towers in downtown metros.

Other locations that Slate has put an emphasis on are by no means unimportant: these are downtown, suburban, and primary and secondary office locations, and they consist of two-thirds of the entire Canadian office inventory on the market.

Simply stated, the lack of competition for those locations becomes a competitive advantage for Slate which the company capitalizes on. Unlike other REITs that are focused exclusively in metro or rural

areas, Slate has an assortment of properties that span across seven provinces and one territory.

Slate is a great investment for investors looking for income. The company offers a monthly distribution of \$0.0625, or \$0.75 per year, which comes out to a very lucrative 9.26% yield.

Slate trades at just over \$8 and has a P/E of 8.11.

### **H&R Real Estate Investment Trust**

**H&R Real Estate Investment Trust** ([TSX:HR.UN](#)) has properties spanning the office, retail, industrial, and residential sectors. In total, H&R's well-diversified Canadian portfolio has over 300 properties across those segments comprising over 42 million square feet with a combined value of \$13 billion. H&R also has another 115 properties in the U.S. market across many of those same segments.

H&R offers investors a monthly distribution in the amount of \$0.115 per share, which works out to \$1.38 annually and a very impressive 6.3% yield. Despite this high yield, the payout level as per the most recent quarter is a sustainable 75%.

So, why should you consider H&R? Apart from the great distribution that the company offers, H&R is the most diversified REIT in the country and maintains one of the highest (if not *the* highest) occupancy rate across all of its properties.

H&R currently trades at just below \$22 and has a P/E of 13.25.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:HR.UN (H&R Real Estate Investment Trust)
2. TSX:RPR.UN (Ravelin Properties REIT)

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