3 Excellent REITs I'd Buy for Passive Income

Description

Investing in real estate investment trusts (REITs) is a great way to earn passive income. REITs own or finance income-producing properties and pay out the majority of their taxable income to their shareholders, giving their stocks high yields. With all of this in mind, let's take a look at three quality REITs that you could buy right now.

Pure Industrial Real Estate Trust

Pure Industrial Real Estate Trust (TSX:AAR.UN), or PIRET for short, owns and manages industrial properties in Canada and the United States. As of March 31, its portfolio consisted of 162 income-producing properties totaling about 20.2 million square feet of gross leasable area.

PIRET pays a monthly distribution of $0.026 per unit, representing $0.312 per unit annually, which gives its stock a yield of approximately 4.5% today.

It's also important to make the following two notes.

First, PIRET has paid monthly distributions uninterrupted and without reduction since its initial public offering (IPO) in September 2007.

Second, I think the company's very strong generation of adjusted funds from operations (AFFO), including $0.35 per unit in 2015, $0.36 per unit in 2016, and $0.09 per unit in the first quarter of 2017, will allow it to maintain its current distribution rate for the foreseeable future.

CT Real Estate Investment Trust

CT Real Estate Investment Trust (TSX:CRT.UN) owns and manages a portfolio of predominantly retail properties in Canada. As of March 31, its portfolio consisted of 299 properties, four distribution centres, three development properties, and one mixed-use property that total about 24.95 million square feet of gross leasable area.

CT currently pays a monthly distribution of $0.05833 per unit, representing $0.70 per unit annually, giving its stock a yield of about 4.9%.

Investors should also make the following two notes.

First, the company has raised its annual distribution every year since its IPO in 2013, resulting in three consecutive years of increases, and its 2.9% hike that was effective for its January distribution has it on pace for 2017 to mark the fourth consecutive year with an increase.

Second, I think CT's consistently strong AFFO growth, including its 9.8% year-over-year increase to $0.808 per unit in 2015, its 6.7% year-over-year increase to $0.862 per unit in 2016, and its 10.2% year-over-year increase to $0.227 per unit in the first quarter of 2017, will allow its streak of annual distribution increases to easily continue into the 2020s.

Plaza Retail REIT

Plaza Retail REIT (TSX:PLZ.UN) owns and manages retail real estate in Canada. As of March 31, its portfolio consisted of 298 properties that total about 7.8 million square feet of gross leasable area.

Plaza currently pays a monthly distribution of $0.0225 per unit, representing $0.27 per unit annually, which gives it a 5.8% yield today.

It's very important to make the following two notes.

First, Plaza has raised its annual distribution for 13 consecutive years, the second-longest active streak for a REIT in Canada, and its 3.8% hike that was effective for its January distribution has it positioned for 2017 to mark the 14th consecutive year with an increase.

Second, I think Plaza's continual AFFO growth, including its 6.7% year-over-year increase to $0.318 per share in 2015, its 3.1% year-over-year increase to $0.328 per unit in 2016, and its 2.7% year-over-year increase to $0.077 per unit in the first quarter of 2017, will allow its streak of annual distribution increases to continue for another 14 years.

Which of these REITs should you buy today?

PIRET, CT REIT, and Plaza Retail REIT could provide your portfolio with passive income, so take a closer look at each and strongly consider investing in one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:PLZ.UN (Plaza Retail REIT)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date
2025/09/27
Date Created
2017/06/23
Author
jsolitro