

3 REITs to Buy for a Growing Income Stream

Description

If you're on the prowl for an income stock with a track record of growing its distribution, then I've got three real estate investment trusts (REITs) that I think you will love. Let's take a closer look at each, so you can determine which would be the best fit for your portfolio.

Smart REIT

Smart REIT ([TSX:SRU.UN](#)) is one of Canada's largest commercial REITs. As of June 30, its portfolio consisted of 152 properties, including 142 retail properties, eight development properties, one office property, and one mixed-use property, which are located across the country and total approximately 31.9 million square feet of built gross leasable area.

Smart currently pays a monthly distribution of \$0.14167 per unit, equal to \$1.70 per unit on an annualized basis, which gives it a yield of about 5.6% at the time of this writing.

Investors must also make two important notes about Smart's distribution.

First, its monthly distribution will be increased to \$0.145833 per unit in October; this increase will bring its annual distribution to \$1.75 per unit, which would give it a yield of about 5.8% at the time of this writing.

Second, the company has raised its annual distribution for three consecutive years, and its recent hikes, including the 2.9% hike it announced in August which is effective for its October distribution, have it on pace for 2017 to mark the fourth consecutive year with an increase.

Granite Real Estate Investment Trust

Granite Real Estate Investment Trust ([TSX:GRT.UN](#))([NYSE:GRP.U](#)) is one of the world's largest industrial REITs. As of June 30, its portfolio consisted of 92 income-producing properties that are located across North America and Europe and total about 30.2 million square feet of rentable space.

Granite currently pays a monthly distribution of \$0.217 per unit, equal to \$2.60 per unit on an annualized basis, which gives it a 5.2% yield at the time of this writing.

Investors must also note that Granite has raised its annual distribution for four consecutive years, and its 8.3% hike in November has it on track for 2017 to mark the fifth consecutive year with an increase.

Plaza Retail REIT

Plaza Retail REIT ([TSX:PLZ.UN](#)) is one of Canada's largest retail REITs. As of June 30, its portfolio consisted of ownership interests in 296 properties, including strip plazas, standalone small box retail outlets, and enclosed shopping centres, which are located across eight provinces and total approximately 7.6 million square feet.

Plaza currently pays a monthly distribution of \$0.0225 per unit, equal to \$0.27 per unit annually, which gives it a 6.2% yield at the time of this writing.

It's also very important to note that Plaza has raised its annual distribution for 13 consecutive years, the second-longest active streak for a public REIT in Canada, and its 3.8% hike that took effect in January has it on pace for 2017 to mark the 14th consecutive year with an increase.

Which of these REITs belongs in your portfolio?

I think Smart REIT, Granite REIT, and Plaza Retail REIT are three of the best investment options in the REIT industry, so take a closer look at each and strongly consider adding one of them to your portfolio today.

CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:GRT.UN (Granite Real Estate Investment Trust)
2. TSX:PLZ.UN (Plaza Retail REIT)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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