



## TFSA Investors: 3 REITS That Pay Over 5% in Dividends

### Description

TFSA investors looking for dividend income can often look to REITs to generate some stable payouts. With the real estate industry strong and always finding ways to grow in Canada, it's not hard to see why it might be a good investment option. I have a list of three REITs below that have yields of over 5% that could be great additions to your portfolio today.

**Granite Real Estate Investment Trust** ([TSX:GRT.UN](#))(NYSE:GRP.UN) owns 92 properties spanning about 30 million square feet in North America and Europe. The company's portfolio consists mainly of industrial properties and its largest tenant is **Magna International Inc.** and its subsidiaries.

The company currently pays a dividend of around 5.2%, which is paid out in monthly installments. Although it has only been traded since 2013, the company has increased its payouts about once a year. Since 2013, dividend payments of \$0.175 have grown to \$0.217 for an increase of 24% and a compounded annual growth rate (CAGR) of 5.5%. With earnings per share (EPS) of \$5.93 in the trailing 12 months, the company is also paying out just 44% of its net income and could easily continue to increase the dividend if it's able to maintain or grow these profits.

**Artis Real Estate Investment Trust** ([TSX:AX.UN](#)) offers a more diversified portfolio with properties in industrial, retail, and office spaces. The company makes most of its income from its office locations, and Artis averages an occupancy rate of over 93% among all its properties. Geographically, more than half of the company's income comes from Canada, with Alberta making up over a quarter of it, and the remainder coming from south of the border.

The company has not increased its dividend in many years, but with monthly payments yielding an annual return of 8.2%, that may not be a deal breaker. The bigger concern for investors likely revolves around whether or not Artis can afford to maintain that dividend. In the trailing 12 months, EPS for Artis has totaled just \$0.95, meaning dividend payments of \$1.08 a share are in excess of the company's most recent earnings.

However, if we look at cash flow, the company has posted free cash of \$233 million in the trailing 12 months, and dividend payments have used up just over 80% of that, suggesting the payout is still very

manageable.

**Choice Properties Real Est Invstmnt Trst** ([TSX:CHP.UN](#)) has a portfolio of 537 properties totaling almost 44 million in square feet, with over 96% being office locations. The company's locations are all in Canada, and **Loblaw Companies Ltd** ([TSX:L](#)) is both the largest shareholder and Choice's main tenant. Although this REIT may be the least diversified of the three, with the strong backing and stability of a company like Loblaw behind it, it is in good position for future growth.

Currently, the stock pays a dividend of about 5.6% per year, which is also paid on a monthly basis. After posting losses in the last two years, the company's EPS for the trailing 12 months has totaled \$5.84, which makes its currently annual payout of \$0.74 a share just a drop in the bucket. As Loblaw runs out of room to grow its grocery chains, I wouldn't be surprised to see Choice Properties become the focus of its growth strategy going forward.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:AX.UN (Artis Real Estate Investment Trust)
2. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
3. TSX:GRT.UN (Granite Real Estate Investment Trust)
4. TSX:L (Loblaw Companies Limited)

## PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

## Category

1. Dividend Stocks
2. Investing

## Date

2025/08/23

## Date Created

2017/09/29

## Author

djagielski

default watermark