

## 2 REITs I Would Buy With an Extra \$5,500

### Description

It is not tough to decide where an extra \$5,500 will go when the holiday season is just around the corner.

This windfall can quickly be blown on some great deals. But if you are serious about achieving your long-term saving goals, then this extra cash can get you one step closer to your financial independence.

In Canada, [real estate investment trusts](#) (REITs) are some of my favourite saving tools to use extra money. REITs' structure provides a great advantage to investors, as these companies required by law to pay out most of their earnings to their shareholders.

Another benefit of investing in REITs is that you get paid dividends before the taxman gets his share. This is a reason why these companies often sport higher yields.

For long-term investors, professionally managed apartment buildings, office spaces, and retail malls are some of the best sources to earn stable rental income.

Keeping this theme in mind, here are two REITs I would buy with \$5,500.

### Allied Properties

**Allied Properties Real Estate Investment** ([TSX:AP.UN](#)) focuses on the office space in Canada's biggest cities. It transforms light industrial structures into modern office facilities, featuring high ceilings, natural light, brick, and hardwood floors. Office spaces in Toronto and Montreal account for more than half of its portfolio.

Its clients include some of the top business brands, such as **BCE** and Good Life.

Allied is taking a full advantage of a favourable leasing environment in the Canada's largest markets for the office space. In the third quarter, Allied increased the occupied area of its rental portfolio by 380 basis points to 92.5% and the leased area by 120 basis points to 93.3%.

It also renewed or replaced leases for 81.9% of the space that matured in the period and 73.6% of the space scheduled to mature over the course of 2017.

This [impressive performance](#) is also helping Allied shares to buck the general weakness in REIT stocks due to rising interest rates in Canada. Its stock is up ~17% so far this year.

And if you look over the longer horizon, Allied stock continues to outperform its peers, rising ~35% in the past five years. Trading at \$41.90 and with a dividend yield of about 3.65%, Allied Properties pays a monthly distribution of \$0.1275 a share.

## Dream Global

Investing in **Dream Global REIT** (TSX:DRG.UN) means you are getting exposure to Europe's strongest office rental markets.

Dream Global's portfolio of office buildings consists of 151 properties, comprising approximately 12.5 million square feet located in Germany, Austria, and Belgium.

This summer, Dream Global acquired a portfolio of 135 office and light industrial properties located in the Netherlands, further diversifying its European assets and adding more cash-generating assets.

Dream Global's strong presence in Europe has benefited its investors, who saw the value of their shares surge 21% this year. Dream pays a monthly distribution of \$0.0667 per unit, which comes to an annualized yield of 7%.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:AP.UN (Allied Properties Real Estate Investment Trust)

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## Date

2025/09/29

## Date Created

2017/11/19

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