3 Top REITs With Yields of 4-6%

Description

Investing in real estate investment trusts (REITs) is a great way to diversify your portfolio and earn a reliable stream of monthly income. With this in mind, let's take a closer look at three of Canada's largest REITs, so you can determine which would fit best in your portfolio.

SmartCentres Real Estate Investment Trst (TSX:SRU.UN) owns and manages a portfolio of 164 properties, including 155 retail properties, seven development properties, one office property, and one mixed-use property, which total over 34 million square feet of built gross leasable area.

SmartCentres currently pays a monthly distribution of $0.14583 per unit, equating to $1.75 per unit annually, giving it a 5.9% yield at the time of this writing.

Foolish investors should make the following two notes about its distribution.

First, the REIT has raised its annual distribution for four consecutive years, and its 2.9% hike in August has it on track for 2018 to mark the fifth consecutive year with an increase.

Second, it has a targeted payout ratio of approximately 77-82% of its adjusted funds from operations (AFFO), so I think its strong operational performance and its growing portfolio, including its addition of 12 new properties so far in 2017, will allow its streak of annual distribution increases to continue for many years to come.

CT Real Estate Investment Trust (TSX:CRT.UN) owns and operates a portfolio of 325 properties, including 320 operating properties and five development properties, which total over 25 million square feet of gross leasable area.

CT currently pays a monthly distribution of $0.05833 per unit, representing $0.70 per unit on an annualized basis, giving it a 4.8% yield at the time of this writing.

It's crucial to make the following three notes about CT's distribution.

First, in January 2018, CT's monthly distribution will increase to $0.06067 per unit, or $0.728 per unit

on an annualized basis, which would bring its yield up to about 5% at the time of this writing.

Second, the REIT has raised its annual distribution for four consecutive years, and the 4% hike that takes effect in January will put it on track for 2018 to mark the fifth consecutive year with an increase.

Third, I think its consistently strong AFFO growth, including its 7.5% year-over-year increase to $0.687 per unit in the first nine months of 2017, and its fast-growing portfolio that will help accelerate its AFFO growth going forward, including its addition of 20 operating properties so far in 2017, will allow its streak of annual dividend increases to easily continue into the 2020s.

Canadian REIT (TSX:REF.UN), or CREIT for short, owns and manages a portfolio of 204 retail, industrial, office, and development properties that contain approximately 32.68 million square feet, with CREIT's ownership interest being approximately 24.88 million square feet today.

CREIT currently pays a monthly distribution of $0.1558 per unit, equating to $1.87 per unit on an annualized basis, and this gives it a yield of about 4.1% at the time of this writing.

Foolish investors should make the following two notes.

First, CREIT has raised its annual distribution for 16 consecutive years, the longest active streak for a public REIT in Canada, and its 2.2% hike in May has it on pace for 2018 to mark the 17th consecutive year with an increase.

Second, I think the REIT's consistently strong financial performance, including its 7.6% year-over-year increase in AFFO to $2.13 per unit in the first nine months of 2017, and its conservative payout ratio, including 70.3% of its AFFO in the first nine months of 2017, will allow its streak of annual distribution increases to continue for the foreseeable future.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date

2025/07/06

Date Created
2017/11/24
Author
jsolitro

Footer Tagline

Footer Tagline