



## 3 REITs With High and Safe Yields of 6-8%

### Description

Real estate is one of the world's most popular investments, but buying and managing a rental property is simply not for everyone. Fortunately, there are real estate investment trusts (REITs) that offer the benefits of owning rental properties without the hassles that come with purchasing a property or being a landlord.

With all of this in mind, let's take a look at three REITs with high and safe yields of 6-8% that you could invest in today.

#### **NorthWest Health Prop Real Est Inv Trust** ([TSX:NWH.UN](#))

[NorthWest](#) owns and manages healthcare-related properties, including full-service medical buildings and a mix of professional office, laboratory, clinical, and pharmaceutical space. As of December 31, 2017, its portfolio consists of 141 properties totaling approximately 10.2 million square feet of gross leasable area, which are located across Canada, Brazil, Germany, Australia, and New Zealand.

NorthWest pays a monthly distribution of \$0.06667 per unit, representing \$0.80 per unit annually, which gives it a yield of about 7.1% at the time of this writing.

The REIT has maintained its current distribution rate since its IPO in March 2010, and I think its very strong generation of adjusted fund from operations (AFFO), including its 4.8% year-over-year increase to \$0.87 per unit in 2017, and its sound payout ratio, including 93% of its AFFO in 2017, will allow it to continue to do so going forward.

#### **Morguard Real Estate Inv.** ([TSX:MRT.UN](#))

Morguard owns and manages a diversified portfolio of real estate. As of December 31, 2017, its portfolio consists of 49 properties, including 28 office and industrial properties and 21 retail properties, which are located across six Canadian provinces and total about 8.6 million square feet of gross leasable area.

Morguard pays a monthly distribution of \$0.08 per unit, representing \$0.96 per unit annually, which

gives it a yield of about 6.9% at the time of this writing.

Like NorthWest, Morguard has been a consistent income provider over the years; it has paid distributions every month since January 2005, including one increase in March 2012 to its current monthly rate, and I think its ample AFFO generation, including \$1.20 per unit in 2017, and its very conservative payout ratio, including just 77.4% of its AFFO in 2017, will allow it to continue to maintain its current rate for the foreseeable future.

### **SmartCentres Real Estate Investment Trst ([TSX:SRU.UN](#))**

SmartCentres owns and manages a portfolio of [predominantly retail properties](#). As of December 31, 2017, its portfolio consists of 154 shopping centres, one office property, one mixed-use property, and seven development properties, which are located across Canada and total approximately 34.2 million square feet of gross leasable area.

SmartCentres pays a monthly distribution of \$0.14583 per unit, representing \$1.75 per unit annually, which gives it a yield of about 6% at the time of this writing.

SmartCentres may have the lowest yield of the REITs named in this article, but it has something the others do not — an active streak of annual distribution increases; its 2.9% distribution hike in August 2017 has it on track for 2018 to mark the fifth straight year in which it has raised its annual distribution, and I think its continued growth of adjusted cash flow from operations, including its 2.9% year-over-year increase to \$330.8 million in 2017, will allow it to continue to grow its distribution in 2019 and beyond.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:MRT.UN (Morguard Real Estate Investment Trust)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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