2 REITs You Can Buy and Forget for 20 Years

Description

REIT investments can be some of the most promising and lucrative long-term investments that you can add to your portfolio. In the time since I first came across REITs and began researching them as worthy investments, that allure has only grown stronger.

With so many REITs on the market, there are plenty of choices for investors. Many REITs are continuously evolving, and some are even blurring the lines between offering commercial and residential properties, creating a new hybrid type of REIT.

Here are a few interesting REITs to consider adding to your portfolio.

Choice Properties REIT (TSX:CHP.UN)

Choice Properties is a very attractive pick for any portfolio. The company caters to the retail and commercial real estate segments, boasting an impressive 757 properties that collectively account for 67 million square feet of leasable area that is predominately located in and around the biggest metro areas of the country. Even better is the 99% occupancy rate that the company maintains.

While retail may seem like a risky investment, particularly with the ever-growing threat of internet e-commerce behemoths taking more of the market, the preferred portfolio mix for Choice Properties is supermarket-anchored shopping centres.

Supermarket-anchored centres provide a steady stream of frequent traffic but, more importantly, are buying necessities, which is just one reason to love food investments. This differs from, say, a luxury clothing store or electronics boutique. Choice Properties's primary tenant in this regard is is **Loblaw**, which spun off Choice Properties five years ago.

In terms of results, FFO for the second fiscal quarter came in at $156.6 million, or $0.272 per unit diluted, handily beating the $108.4 million, or $0.262 per unit diluted, reported in the same quarter last year.

Perhaps most impressive is the monthly distribution that Choice Properties provides, which amounts to an appetizing 5.95% yield.

Incredibly, Choice Properties trades at just over $12.50 with a P/E of just 5.39.

SmartCentres Real Estate Investment Trst (TSX:SRU.UN) is another great retail REIT to take a closer look at. Like Choice, SmartCentres focuses on retail and, more specifically, shopping centres and have incredibly large anchor tenants, such as **Wal-Mart Inc.**, that draw in a steady stream of traffic.

Collectively, SmartCentres has 34 million square feet of retail space with 3,100 tenants that provide an occupancy level north of 98%.

SmartCentres is also looking at other property types to diversify its base. The company announced last month that several existing properties would be re-developed into self-storage facilities, which would then be managed by a partner with revenues being split. The first location, which is located in Toronto, is set to begin construction this year and be ready to open in late 2018.

Self-storage facilities are unique in that they don't require as much land use for parking and other facilities, yet they provide the company with a steady stream of revenue.

Beyond storage facilities, SmartCentres is also branching out to the residential market, with a slew of mixed-use developments underway in major metro areas that will provide both commercial and residential long-term opportunities for the company.

SmartCentres provides a monthly distribution that amounts to a very healthy 5.76% yield, and the company currently trades below $31 with a P/E of 14.78.

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

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