3 REITs to Buy and Forget for the Next Decade

Description

REITs (Real Estate Investment Trusts) are great investments for both growth- and income-seeking investors. REITs are often cited as great TFSA additions that you can buy and forget about for decades. But how can investors select the best long-term picks?

The market gives us plenty of options to select a REIT investment from across a broad area of the economy. Here are four very different, yet very lucrative REIT investments that are worth considering for your portfolio.

Northview Apartment REIT (TSX:NVU.UN) caters primarily to the residential segment — more specifically, multi-family residential units.

As for why investors should consider Northview as part of their portfolio, it comes down to three reasons.

First, Northview is well diversified. Northview is the third-largest multi-family REIT in the country, with an impressive portfolio of over 24,000 residential units that are scattered across 60 different markets in eight provinces and two territories.

In addition to a large number of residential holdings, Northview has a smaller portfolio of commercial properties across the country.

Second, that diversification is further augmented by the fact that Northview is focused on the urban metro areas that so many other REITs have put an emphasis on as well as secondary markets across northern Canada.

Finally, there's Northview's monthly distribution, which currently has an appetizing yield of 6.25%.

InterRent Real Estate Investment Trust's (TSX:IIP.UN) current distribution yield may seem infinitely smaller at 2.35%, but there's more to an investment than its yield, and there are some very compelling reasons to consider InterRent.

First, InterRent is a Canadian Dividend Aristocrat owing to the company raising its dividend consecutively over the past six years. In terms of distribution growth, InterRent has averaged 12% over the past five years. This factor alone makes the company a great and buy-and-forget candidate.

Second, let's take a moment and look at growth. Typically, investors are conditioned to look at yields and debt when examining REITs, but in the case of InterRent, the company's stock has seen an impressive growth of over 45% in the past year and has appreciated by over 115% in the past five years.

Finally, there's the company's strong financial position. In the most recent quarter, InterRent saw gross rental revenue top the figure from the same quarter last year by an impressive 17.1%. Average monthly rent saw an uptick of 6.4% over the same quarter last year, and occupancy across the company's portfolio was at 94%.

RioCan Real Estate Investment Trust (TSX:REI.UN) is another great long-term REIT investment. While RioCan is best known for its portfolio of large retail properties, the company has recently branched into a new venture that will see it construct mixed-use developments that have both commercial and residential elements in the same development.

The new effort is being referred to as RioCan Living and provides an excellent long-term hedge against declining retail foot traffic while addressing the growing demand for people to live near downtown metro areas.

Despite the shift to include residential properties, RioCan's portfolio of retail tenants is in no immediate harm, as the company has some of the largest, most well-known retailers in the country as tenants, with the occupancy rate in the most recent quarter coming in at an impressive 96.8%.

The first RioCan Living units are under construction and should be completed within the next year. In total, RioCan is targeting up to 10,000 residential units to be constructed.

In terms of a distribution, RioCan offers an impressive monthly payout that translates into a 5.61% yield.

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Date
2025/08/21
Date Created
2018/09/19
Author
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