



3 REIT Stocks to Provide a Monthly Income Stream

Description

Investors that haven't taken the plunge into Canada's white-hot real estate market might be feeling a little discouraged lately at the fact that home prices within the Toronto and Vancouver areas are sitting near \$1 million. That's not even for a large home; that price will buy you a typical semi-detached bungalow that likely needs some work.

That's part of the reason why first-time homebuyers are moving out of metro areas – in some cases, way out by a magnitude of over an hour or more to where homes are still relatively affordable. So what can an investor do to gain entry into the real estate market and earn some income? Consider a REIT investment, and here are three potential candidates that just scream opportunity.

Not all REITs are residential-focused, but that's exactly the niche market that **Northview Apartment REIT** (TSX:NVU.UN) is primarily targeting. I say primarily because the company does have a much smaller portfolio of commercial investments to augment its residential multi-family property base.

In terms of size, Northview is the largest multi-family REIT in the nation, with a sprawling portfolio of 24,000 units in 60 different local markets across eight provinces and two territories. To say that Northview is geographically well diversified across the country in this respect would be an understatement.

That's not to say that Northview is content with its current portfolio either; the company announced this week that it was acquiring six apartments in Ontario that collectively consist of 644 units in a \$132 million acquisition.

In terms of results, the company continues to show positive growth with each passing quarter, and occupancy in the most recent quarter hit its highest level in five years. Finally, in terms of a distribution, Northview provides investors with a monthly payout that currently amounts to an attractive 6.24% yield, making it one of the [best-paying dividends](#) on the market.

RioCan Real Estate Investment (TSX:REI.UN) is another interesting REIT worth considering. Unlike Northview however, RioCan is primarily invested into commercial properties, at least for the moment. The company, which until earlier this year was the largest commercial retail REIT in the nation, began

a process of unloading non-core properties to raise \$2 billion to finance a new project dubbed RioCan Living.

RioCan living is a hybrid of residential and commercial retail space that will be conveniently located in the major metro areas of the country where prices are extremely high and demand for housing, particularly among younger millennials is even higher. In short, RioCan Living will address a myriad of market problems including lack of supply, high-demand and asking prices for units while diversifying away from commercial retail, which is on a downward trend as more consumers shy away from shopping malls to browse products on their mobile devices.

From a distribution standpoint, RioCan offers a monthly distribution with a yield of 5.81%.

The third REIT for investors to consider is **InterRent Real Estate Investment Trust** ([TSX:IIP.UN](#)). InterRent's lower yield of 2.11% may sound a little deflating after mentioning the potential of both RioCan and Northview, but investors shouldn't pass on this stock just yet, as with some of the best investments, [opportunity](#) often requires looking a little deeper.

InterRent's focus is on multi-family unit residential properties, specifically targeting secondary markets in Ontario such as Mississauga, Hamilton and London, as well as properties in both Ottawa and up in Sault Ste. Marie. Outside of Ontario, InterRent has a small portfolio of properties in Montreal, which collectively provide a well-diversified portfolio of investments that have largely escaped the ridiculousness of Toronto's real estate fever.

Additionally, turning back to that dividend for a moment, InterRent also happens to be an aristocrat with consecutive annual increases averaging 12% going back half a decade.

One final point to make regarding InterRent is the company's growth prospects. Over the course of the past year InterRent has seen an incredible gain of over 40%, far surpassing the market as a whole and likely to continue for the foreseeable future.

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1. TSX:IIP.UN (InterRent Real Estate Investment Trust)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)

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Author

dafxentiou

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