



Attention Income Seekers: 3 Stocks Yielding Over 6%

Description

Income seekers tend to prefer stocks with a higher yield. Simply put, they receive more income per dollar invested. Although high yields [can spell trouble](#), there is one group of stocks where hefty yields are expected – Real Estate Investment Trusts (REITs).

REITs are subject to a number of regulatory requirements. One of which requires them to return virtually all distributable income to unitholders. As such, they tend to [have higher yields](#) than your average stock.

With that in mind, these three REITs provide income investors with starting yields over 6%!

H&R Real Estate Investment Trust ([TSX:HR.UN](#))

With more than \$14 billion in assets, H&R is one of Canada's largest REITs. Its portfolio of high-quality North American assets include office, retail, industrial and residential properties. Recently, H&R has stumbled upon a little bit of luck. It owns 50% of the Jackson Park development – a 1,871-suite luxury rental complex in the New York borough of Queens. Why is this important? It just so happens to be one of Amazon's new sites for its new headquarters.

As of writing, the company is yielding 6.56% and tracked the market dipping approximately 1% year to date. H&R has a modest payout ratio of 77%, which should enable it to build on its mini-three year dividend growth streak.

Choice Properties Real Estate Investment Trust ([TSX:CHP.UN](#))

Choice Properties has a strong portfolio of assets composed of 751 properties with over 66 million square feet of leasable area. It's well diversified with industrial, office and residential assets whose principal tenant is Loblaw, the country's largest retailer. The company has one of the largest pipeline of growth projects in the sector with over \$1.2 billion in development projects.

The REIT currently yields 6.08%, which is above its five-year average. The company has one of the lowest payout ratios in the sector at 43.92% and is well positioned to grow distributions from current

levels.

Plaza Retail REIT ([TSX:PLZ.UN](#))

Plaza is a niche player whose focus is on retail properties in Ontario, Quebec, and Atlantic Canada. As of the end of September, it had 285 properties, which include a mix of strip plazas, stand-alone small box retail outlets and enclosed centers. Given its singular focus, Plaza is a more risky play than Choice and H&R, yet it's hard to ignore its 7.02% yield.

It's also worth noting that 90% of Plaza's tenants are national retailers. As such, it is better positioned than most to handle some of the headwinds facing the brick and motor retail sector.

Plaza is also a Canadian Dividend Aristocrat with a 16-year dividend growth streak. This is the longest streak in the industry and more than double its closest competitor. Plaza is expected to once again raise dividends this coming January.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
2. TSX:HR.UN (H&R Real Estate Investment Trust)
3. TSX:PLZ.UN (Plaza Retail REIT)

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