



3 Dividend-Paying REITS Perfect for Those Relying on Their Investment Portfolios to Generate Income

Description

Investments in real estate companies have been benefited from falling interest rates since the year began.

As a matter of fact, the usually mundane real estate sector has actually been one of the top-performing sectors in the market so far in 2019, outpacing the returns of most of the broader averages, including Canada's benchmark the TSX Index.

Not to mention, of course, the attractiveness of the dividend income being generated from regular distributions that may be of particular value to those relying on their investment portfolios to fund current living expenses.

Let's take a closer look at a few of Canada's top-performing REIT companies.

Slate Office REIT (TSX:SOT.UN) is the highest-yielding stock to make this list, currently trading with an 11.23% dividend.

Slate Office's management team follows a traditional bottom-up "value" philosophy, whereby it seeks to acquire office properties it perceives to be trading at discounts to their intrinsic values.

The company feels that the average institutional real estate investor overpays for the largest buildings in the largest cities, and that by acquiring smaller properties in metropolitan and suburban centres that trade at cheaper cost-per-square-foot valuations, it can strategically provide value for shareholders while limiting downside risk.

Slate Office shares are up 14.79% since the beginning of the year versus a 9.15% return for the TSX Index.

Brookfield Property Partners ([TSX:BPY.UN](#))(NASDAQ:BPY) would almost have to be the antithesis of the investment philosophy that Slate Office's management follows.

Rather than investing with a “value” orientation in mind, Brookfield has instead sought to assemble and develop what it feels to be an exceptionally high-quality portfolio of assets that’s diversified across a wide geographic footprint consisting of some of the world’s most resilient and dynamic real estate markets.

Management’s objective with Brookfield Property Partners’s portfolio is to “generate attractive long-term returns on equity of 12-15% based on stable cash flows, asset appreciation and annual distribution growth of 5-8%.”

BPY shares are currently yielding investors 4.75% annually on the TSX (however, the NASDAQ-listed shares yield 6.61% annually) and are up 20.44% on the TSX since January 1.

Choice Properties REIT ([TSX:CHP.UN](#)) is Canada’s largest owner of retail and commercial real estate assets, with the bulk of those assets being backed by anchor-tenant **Loblaw** (which, incidentally, also happens to be Canada’s largest retail company).

Choice Properties’s plan is to continue to grow its commercial and retail footprint through strategic acquisitions — a strategy which will only be supported through its enhanced partnership with **George Weston** following [last year’s restructuring](#), which also included the aforementioned Loblaw.

Choice Properties shares are up 14.79% through the first six weeks of 2019 and currently yield an annual dividend of 5.62%.

Bottom line

Investors shouldn’t expect to become [millionaires overnight](#) with a stake in these three REITS, but it would be fair to expect that they will be handsomely rewarded over time from the compounded returns of these firms’ dividend payouts while getting the benefit of a liquid cash flow stream.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BPY.UN (Brookfield Property Partners)
2. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
3. TSX:RPR.UN (Ravelin Properties REIT)

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