Boost Your Monthly Income With These Three REITs

Description

Real Estate Income Trusts (REITs) are a favourite among income investors. As per regulations, they are required to payout a high percentage of earnings to shareholders. As such, they tend to have higher-than-average yields. Another benefit, most have monthly payouts. Monthly income is attractive as it helps regulate cash flows, especially for those who are looking to supplement current income with dividends.

With that in mind, here are three REITs that should be at the top of your list. All three are Canadian Dividend Aristocrats, which are companies with a dividend growth streak of at least five consecutive years.

Artis REIT (TSX:AX.UN)

After a rough 2018, Artis has rebounded in a big way. Year to date, the company's stock price is up 25%, almost double the return of the TSX Index. The stock was significantly undervalued, and the company acted purchasing approximately 7% of its outstanding shares in the past six months.

The company is also trading at a hefty discount to its net asset value (NAV) of $15.55 per share. As of writing, that is a 25% discount as it is trading at only $11.63 per share. So long as there exists a big spread between NAV and current price, expect management to remain aggressive with share buybacks.

At a yield of 4.63%, it may not be the highest yield, but it is well covered by cash flow. In the first quarter, its adjusted funds from operations (AFFO) payout ratio was only 56%.

Plaza Retail REIT (TSX:PLZ.UN)

Plaza holds the distinction of owning the longest dividend growth streak of all Canadian REITs at 16 years. It's an impressive streak and makes it one of the most reliable income stocks in the sector. This is not a high-growth stock. Over the past five-years, the company has remained relatively flat eeking out a 2% gain.

Plaza is a pure income play that currently yields an appealing 6.81 per cent. This makes it an attractive stock for those who aren't concerned with share price appreciation.

Canadian Tire REIT (TSX:CRT.UN)

What is most attractive about the Canadian Tire REIT is properties are backed by one of Canada's most successful retailers. At 5.63% yield, it is an attractive investment for those looking for steady and reliable payments. Since being spun out in 2014, CRT's share price has jumped 24% and the REIT has raised dividends every year. As such, it became an Aristocrat this year.

The company's share price tends to rise and fall with its namesake tenant. This is not surprising as its more than 300 properties are leased primarily to **Canadian Tire Corporation** (TSX:CTC.A) and accounts for 92.7% of CT REIT's annual base minimum rent. It has a respectable payout ration (76% of AFFO) and AFFO per share has grown at a compound annual growth rate of 5.3% over the past five years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AX.UN (Artis Real Estate Investment Trust)
2. TSX:CRT.UN (CT Real Estate Investment Trust)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)
4. TSX:PLZ.UN (Plaza Retail REIT)

Category

1. Dividend Stocks
2. Investing

Date
2025/08/25
Date Created
2019/05/17
Author
mlitalien