# Retirees: Supplement Your CPP Payments With These 3 Income-Producing REITs

## Description

If you're a retiree, you're well aware of the limitations of the Canada Pension Plan. With a maximum benefit of $1092 per month, it's not enough for an average Canadian to live on. While some retirees are lucky enough to have employer-sponsored pensions, not everybody can count on that; for those who can't, income-producing investments are crucial.



If you have a limited amount of money to invest, REITs can be some of the best income-producing investments out there. Offering high dividend yields and relatively steady returns, they are some of the most reliable investments in Canada.

Of course, not all REITs are created equal. While some are slow and steady gainers that pay income over time, others are notorious for cutting their dividends and leaving investors empty-handed.

Before you invest in REITs, you need to know which ones are most likely to be able to keep up their dividends. The following are three of the best in Canada right now.

## NorthWest Healthcare

**NorthWest Healthcare Properties REIT** (TSX:NWH.UN) is a REIT that invests in hospital and healthcare office space. It has extraordinarily high occupancy rates of 95.7% overall and 98% in its international portfolio. Because Northwest's clientele consists of major health organizations, it's a very stable real estate company.

It's also an ultra-high yielder, with a dividend yield of 6.72%. Recently there have been some concerns about falling earnings at NorthWest, but on closer inspection, these mostly have to do with fair value changes, not operating results. The company's FFO is still strong and growing.

## Killam Properties

**Killam Properties Inc** (TSX:KMP) is a REIT that develops properties in Alberta, Ontario and Atlantic Canada. The vast majority of its properties are residential apartment buildings. Earlier this year, this was a bit of an issue, because residential real estate had been tanking in several markets nationwide. In May, however, data showed that residential real estate had begun to pick up.

This bodes well for Killam, as rent and house prices are correlated. It's also worth noting that a Moody's report claimed that St. John's–one of Killam's key markets–was set to lead the country in housing price growth. As a St. John's resident, I'm not totally sure I believe it, but either way, Killam's 3.47% dividend yield could make the stock worth buying.

## Canadian Apartment

**Canadian Apartment Properties REIT** (TSX:CAR.UN) is a residential REIT that owns properties from Vancouver all the way to Ireland–though most of them are based in Southern Ontario. Toronto and its surrounding areas are still among the strongest real estate markets in the country, with high rent and rising prices, although the rate of appreciation has been cooling off somewhat.

Like Killam, Canadian Apartment Properties would benefit from the housing market rebound that was suggested in May's data — not that CAR.UN needs a big hand from the macro environment. It's already doing just fine, thank you, with a 98.7% average occupancy rate and 6% year-over-year growth in FFO.



It also pays a distribution that yields 2.83%–not overly high, but Canadian Apartment Properties is a REIT that has seen some serious capital gains over the years.

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**TICKERS GLOBAL**

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSX:KMP.UN (Killam Apartment REIT)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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