Married Couples: 3 REITs That Will Pay You During a Recession

Description

Married couples who invest together stand a better chance of gaining financial security. However, spouses should also decide together to pick recession-resistant stocks that will allow them to ride out a recession.

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There are real estate investment trusts (REITs) that can continue paying dividends during a financial crunch. You wouldn't be investing in **Choice Properties** (TSX:CHP.UN), **SmartCentres** (TSX:SRU.UN), **WPT Industrial** (TSX:WIR.U) only for the average dividend of 5% but for dividend safety.

The stocks are differentiated from other REITs because of the respective concentrations in the real estate sector.

Solid anchor

Choice Properties is one of the premier choices primarily because the anchor tenant is Canada's largest food retailer. The properties of this $4.4 billion REIT are leased to **Loblaw** stores, and the grocery business is recession-proof. Also, Choice is a spin-off company from the grocery giant.

Loblaw made the right choice when it decided to spin off its real estate properties into a REIT. You have the option of investing in a grocery store or real estate. But the competitive advantage is in the strategic alliance of this REIT with Loblaw. Its stellar portfolio consists of 756 high-quality properties.

With a seasoned management team, you can expect this REIT through full cycles in a conservative manner. There are rumours that Choice will be acquiring another REIT. Likewise, Choice is diversifying away from Loblaw and expanding its scope to include transit hubs and residential areas.

Significant tenant

Analysts view SmartCentres as the best-in-class REIT when you're talking of Canadian REITs. About 60% of operations are in Ontario, although it is aggressively developing in Toronto. But the real takeaway for this $5.42 billion REIT is the tenant profile. **Walmart** is its most significant tenant.

If you have an assembly of real estate properties anchored on Walmart, it's an automatic defence against a recession. Likewise, SmartCentres is still building malls, despite the onslaught of e-commerce. The properties continue to generate good cash flow and offer some growth, too.

In the next couple of years, huge revenues will come from the properties SmartCentres is converting into multi-purpose buildings with storage, condominiums, and commercial spaces. Just like an actual real estate investment property, this stock can be a long-term hold.

Niche play

WPT capitalizes on the increasing demand in e-commerce and the changing logistic needs of customers. This $785.39 million REIT owns industrial properties, which is a very strong space. Its portfolio consists of 74 institutional-quality industrial properties and one office property in 18 U.S. states.

Industrial REITs are popular because most of the facilities are warehouses used by e-commerce firms like **Amazon** and known logistic companies such as **UPS** and **FedEx**. WPT generates substantial cash flows from the rental payments of these traditional companies as well as online retailers.

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But a distinct feature of this REIT pays dividends in U.S. dollars. The 5.5% dividend will enable married couples to create a steady passive income during a down market.

No dent in the household budget

Choice Properties, SmartCentres, and WPT Industrial are safe havens for married individuals during a recession. You are avoiding a dent in your household budget because of the income stream the stocks can provide.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
2. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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