



3 REITs That Can Bolster Your CPP Pension

Description

In the first quarter of this year, I'd explained why I was [bullish on REITs](#) in 2019. Central banks in the developed world were in retreat when it came to rate tightening, and Canada's real estate market was just starting its rebound. In the coming years, retirees should seek out additional sources of income rather than relying solely on a Canada Pension Plan (CPP).

This is where REITs come into play.

The three stocks I will cover today would [fit nicely into a Tax-Free Savings Account](#) for a retiree or an investor who is gearing up for their post-work life. Let's dive in.

True North REIT

True North REIT ([TSX:TNT.UN](#)) is an Ontario-based REIT that is focused on investment in and ownership of quality commercial properties across Canada. Shares of True North have climbed 32% in 2019 as of close on November 21. The company released its third-quarter 2019 results on November 6.

Revenue rose to \$25.6 million in Q3 2019 compared to \$22.5 million in the prior year. Same-property NOI growth came in at 2.6% while also posting 1.3% growth in the year-to-date period. In the first nine months of this year, adjusted funds from operations (AFFO) have increased to \$27.3 million over \$23 million at the same time in 2018.

The stock last paid out a monthly cash distribution of \$0.0495 per share. This represents a monster 8.5% yield. True North still comes at a solid value today as it boasts a price-to-earnings (P/E) ratio of 12.8 and a price-to-book (P/B) value of 1.3.

BTB REIT

BTB REIT ([TSX:BTB.UN](#)) is a Quebec-based REIT that operates in several segments, including retail, office and industrial properties, and mixed use. The stock has increased 21.8% in 2019 at the time of

this writing. Shares have achieved average annual returns of 9% over the past 10 years, which is stellar considering its dividend yield.

In the third quarter, BTB saw its occupancy rate climb to 93.6%, which represented a 10-year high. Adjusted net income increased 23.7% year over year to \$5.8 million. It also achieved a tenant retention rate of 75.3% compared to the troubling rate of 49.6% it posted in 2018.

The stock last paid out a monthly dividend of \$0.035 per share, representing another 8.5% yield. BTB has surged in 2019, but it also offers solid value in late November. Shares last had a P/E ratio of 12 and a P/B value of 0.9.

Automotive Properties REIT

Automotive Properties REIT ([TSX:APR.UN](#)) is focused on owning and acquiring income-producing automotive dealership properties located in Canada. Its stock has soared 41% in 2019 so far. The company released its third-quarter 2019 results on November 14.

In Q3 2019, Automotive Properties reported a 46.6% year-over-year increase in property rental revenue to \$17.3 million. Adjusted funds from operations (AFFO) rose 52% from the prior year to \$9 million.

The REIT completed its acquisition of the Audi Queensway dealership property in Toronto in the quarter for a purchase price of approximately \$36.5 million. Automotive Properties has posted over 40% growth in rental revenue in the year-to-date period as well as 40.1% growth in AFFO.

The stock last paid out a quarterly dividend of \$0.067 per share, which represents a tasty 6.7% yield. Investors will have to pay a premium for Automotive Properties stock right now, as it hovers near its 52-week high. Shares boasts a P/E ratio of 23 and a P/B value of 1.5.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:APR.UN (Automotive Properties Real Estate Investment Trust)
2. TSX:BTB.UN (BTB Real Estate Investment Trust)
3. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

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