Your Tax-Free Earnings Can Go Through the Roof With These 3 REIT Stocks

Description

The TSX has a rich collection of established real estate investment trusts (REITs) that are known as dividend machines. If you want value for your money, **SmartCentres** (TSX:SRU.UN), **H&R** (TSX:HR.UN), and **NorthWest Healthcare** (TSX:NWH.UN) are your best choices.

These billion-dollar REITs have one thing in common: high dividends. Your tax-free earnings can go through the roof with these billion-dollar real estate stocks.

Walmart-anchored REIT

Canada's largest developer and operator of unenclosed shopping centres is a clear choice of dividend investors. SmartCentres has expertise in asset management, planning, and development. This REIT acquires properties to grow a platform of value-oriented unenclosed shopping centres and destination outlets.

As of the last count, SmartCentres leases 34 million square feet of space in 150 locations with high traffic and visibility. About 3,100 tenants are occupying these shopping centres that are near to most of Canada's vibrant and fastest-growing communities.

Throughout its existence, this $5.36 billion REIT has been focusing on retail development and operation. Its real estate portfolio includes more than 100 **Walmart**-anchored tenants. Aside from other urban, mixed-use, residential and industrial developments, SmartCentres has master-planned communities.

Diversified REIT

H&R REIT offers 41 million square feet of leasable space in North America. The portfolio of this $6.14 billion REIT consists of office (43%), retail (31%), multi-family or residential properties (13%), and industrial properties (7%) whose total worth is nearly $14.4 billion.

The leasing contracts with credit-worthy tenants are long term, with rent escalation clauses at that. H&R's office segment, the largest of the four segments consist of single-tenant and multi-tenant office properties. Enclosed shopping centres, single-tenant retail properties, and multi-tenant retail centres comprise the retail segment.

Investing in H&R is like being a part-owner in some of the prime rental properties in Canada and the U.S. and a landlord to reputable tenants. More importantly, there is an assurance of stable cash flows.

H&R is a good deal for income investors. An investment of less than $25 per share rewards you with a hefty 6.53% dividend.

Specialty REIT

NorthWest Healthcare is one of the most attractive Canadian REITs. You'll be investing in a specialist healthcare real estate investor. This $1.89 billion globally diversified healthcare REIT is reasonably priced at $12.41 per share, yet it pays an irresistible 6.54% dividend.

The real estate portfolio consists of high-quality medical office and hospital properties in the markets of Canada, Australia, Brazil, Germany, New Zealand, and the Netherlands. NorthWest partners with healthcare real estate experts and builds deep tenant relationships.

NorthWest's strategy has bearing fruits. This REIT has a stable cash flow, embedded growth, and a scaled platform. The occupancy rate in the domestic market is 96%, while it's 98% in the international markets. More so, the net operating income is indexed to inflation to drive consistent organic growth.

The success of this REIT is due more to participation in joint ventures rather than total ownership. This arrangement allows for better financing deals, resulting in higher margins.

Boost tax-free earnings

You have a niche combination of high-yield stocks and indirect ownership in real estate properties when you invest in the top three REITs. Place them in your TFSA to boost your tax-free earnings.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:HR.UN (H&R Real Estate Investment Trust)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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