



3 Top REITs for 2021

Description

REITs are great investments to add to your Tax-Free Savings Account (TFSA). Among the many reasons for that view, a stable and recurring income stream tops the list. But what REITs should prospective investors buy? Fortunately, the market gives us plenty of options to consider. Here are several top REITs for 2021 investors to consider.

A strong legacy and future growth

RioCan Real Estate ([TSX:REI.UN](#)) is one of the largest REITs in Canada. RioCan's portfolio has focused primarily on commercial retail properties with a tenant list that includes some of the largest names in finance and retail. In total, RioCan has 221 sites with 38.4 million square feet of leasable area. RioCan recently added mixed-use residential properties into the mix.

Those residential properties are located in high-demand areas in Canada's largest metro areas. They boast quick commute times and easy access to dining and entertainment. In other words, this shift provides an opportunity for RioCan to meet the need of the [growing need for housing](#).

More importantly, as traditional retail traffic declines in lieu of mobile commerce, this shift provides an alternative revenue stream to offset that decline.

In terms of a dividend, RioCan provides a monthly distribution that works out to an impressive 8.47% yield. This makes RioCan one of the [best high-yield options](#) on the market.

A REIT with a strong upside

Canadian Apartment Properties REIT ([TSX:CAR.UN](#)) is another REIT with a residential focus. Canadian Apartment REIT has a portfolio of over 64,000 residential units that are located both in Europe and Canada. Nearly half of those properties are located in Ontario.

The ongoing COVID-19 pandemic has impacted every business differently. In the case of REITs like

Canadian Apartment, there were concerns about tenants being able to continue to pay their rent. Fortunately, those concerns have been largely unfounded. Year-to-date the stock is down just shy of 5%.

In terms of a dividend, Canadian Apartment offers a monthly distribution with a respectable yield of 2.73%.

A diversified REIT for any portfolio

A third top REIT for 2021 comes in the form of **Allied Properties Real Estate Investment** ([TSX:AP.UN](#)). Allied Properties has a diversified portfolio of office, retail, and residential properties.

In total, Allied Properties has a portfolio of 160 properties scattered across Canada's major urban areas. Those properties comprise nearly 11 million square feet of leasable area, focused on TAMI (technology, advertising media, information) workspaces.

Allied Properties offers investors a 4.37% yield with a monthly distribution cadence. Adding to that appeal is the fact that Allied Properties continues to be committed to bumping its distribution. The most recent uptick was recently announced and will be effective beginning in 2021. Furthermore, one final point for prospective investors to note is that Allied Properties is down over 25% year-to-date. This makes the REIT a superb discounted option to consider for long-term investors.

Add these top REITs for 2021 to your portfolio

No investment is without risk. That being said, the trio of REITs mentioned above all offer handsome yields, [strong growth potential](#), and diversified portfolios. In other words, one or more of these top REITs for 2021 should be a core holding in your TFSA.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:AP.UN (Allied Properties Real Estate Investment Trust)
2. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)

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