3 REITs to Buy Before the RRSP Deadline

Description

This week, I'd discussed the upcoming RRSP deadline on March 1, 2021. Canadians must contribute to their RRSP before this deadline for the 2020 tax year. This red-hot market has made fortunes during a devastating pandemic. However, I have my eyes on stable income-yielding equities right now. Today, I want to look at the best REITs to stash in your portfolio ahead of the deadline. Let's dive in.

Why this healthcare REIT is perfect for 2021

Northwest Healthcare REIT (TSX:NWH.UN) remains one of my favourite REITs on the TSX. It has proven to be a reliable defensive play during the COVID-19 pandemic. Medical facilities have been heavily burdened during this crisis. This REIT provides investors access to a portfolio of high-quality global health care real estate. Its shares have climbed 8% year over year as of early afternoon trading on February 11.

RRSP investors can expect to see this REIT's fourth-quarter and full-year 2020 results in early March. In Q3 2020, Northwest achieved net operating income growth of 3.4% to $72.2 million. Moreover, occupancy remained stable at 97.2%.

Shares of this REIT last had a favourable price-to-earnings (P/E) ratio of 15 and a price-to-book (P/B) value of 1.5. Northwest offers a monthly dividend of $0.067 per share, which represents a tasty 6.1% yield.

RRSP investors: This REIT offers nice value right now

Dream Office REIT (TSX:D.UN) is a REIT that acquires, manages, and leases mainly central business district and suburban office properties in urban areas throughout Canada. The COVID-19 pandemic has forced millions of office workers to toil from home. However, businesses are signalling that a return to the office is forthcoming in 2021. Shares of this REIT have dropped 39% year over year as of early afternoon trading on February 11.

Investors can expect to see Dream Office's final batch of results on February 18. In Q3 2020, the REIT reported net income of $161 million in the year-to-date period — up from $54.1 million from the prior year. Net rental income was down from the prior year in the third quarter.

Shares of this REIT possess a mouth-watering P/E ratio of 5.2 and a P/B value of 0.7. That is great value for an RRSP. Moreover, it offers a monthly distribution of $0.083 per share. That represents a strong 5.1% yield.

One more REIT to snag today

SmartCentres REIT (TSX:SRU.UN) is an open-ended REIT that comprises of two groups of properties: retail and mixed use. Shares of this REIT have dropped 18% from the prior year. However, the stock is up 5.5% in 2021. It released its fourth-quarter and full-year 2020 results on February 10.

The REIT's shopping centre portfolio is still providing recurring income and its occupancy rate remained a stable 97.3%. However, net income was down significantly from the prior year. Like Dream Office, SmartCentres has also suffered during the pandemic. However, the promise of a reopening should pique the interest of RRSP investors.

Shares of SmartCentres last had an attractive P/B value of 0.9. This REIT offers a monthly dividend of $0.154 per share, representing a monster 7.6% yield.

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2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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Author

aocallaghan