



3 High-Yield REITs Offering an Average Yield of 7%

Description

Real estate investment trusts, or REITs, typically offer a generous dividend yield. This high yield has made REITs a popular investment choice since the first Canadian REIT was listed on the **TSX** in 1993.

If you are looking to invest in this popular option, here are three REITs to consider. For diversification, each of these REITS specializes in a different market.

Gaming and Leisure Properties

The COVID-19 pandemic has taken its toll on entertainment venues. So, if you are looking to cash in on the pent-up demand for casinos and gaming, consider **Gaming and Leisure Properties** ([NASDAQ:GLPI](#)).

Gaming and Leisure Properties was founded in 2013 as America's first REIT. The company's assets include 48 properties throughout 16 states. Combined, these properties total over 23 million square feet of property.

The company operates over 13,000 hotel rooms. Some of Gaming and Leisure's most well-known tenants include Penn National Gaming, Caesars Entertainment, Boyd Gaming Corporation, and Casino Queen.

With a market cap of US\$10.66 billion, the company plans to grow its portfolio by pursuing opportunities to acquire additional gaming facilities to lease to gaming operators through triple-net lease arrangements. Over time, the company plans to diversify its portfolio by acquiring properties outside the gaming industry.

As of this writing, shares of Gaming and Leisure Properties are trading at US\$45.77, near their 52-week high. During the pandemic, the stock reached a low of US\$24.39. At the current price, the divided yield is 5.71%.

Inovalis Real Estate Investment Trust

With a market cap of approximately \$320 million, **Inovalis Real Estate Investment Trust** ([TSX:INO-UN](#)) owns assets primarily located in France and Germany.

Inovalis currently owns 14 office properties. These properties are strategically [located in city centres](#) near transport hubs. Their location makes them ideal for offices that want to make the commute easier for their employees.

Due to the pandemic, Inovalis experienced a steep decline in revenues and gross profits in 2020. However, the company has sustained its dividends during previous economic declines.

Shares are trading at \$9.89 as of this writing, nearing their year-long high. The current dividend yield is 8.34%.

Sabra Health Care

Sabra Health Care ([NASDAQ:SBRA](#)) is a REIT that owns over 425 healthcare facilities. The facilities specialize primarily in skilled nursing and eldercare and are located throughout the U.S. The company is also involved in a joint venture that owns 158 senior housing properties, which are managed by operators instead of leased.

Sabra experienced lower occupancy rates during the COVID-19 pandemic which negatively impacted earnings. In the most recently reported quarter, the REIT's total revenue declined 2.5% year over year.

However, many of Sabra's senior residents are covered by federal and state healthcare plans. These plans provide a reliable [source of cash flows](#) partially passed along to Sabra. The demand for medical properties like hospitals, skilled nursing, and senior housing is expected to grow, with the population of adults age 65 and older projected to increase by [44% over the next 20 years](#).

With shares trading at US\$17.93 as of this writing, Sabra's dividend yield is 6.81%.

CATEGORY

1. Investing

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1. TSX:INO.UN (Inovalis Real Estate Investment Trust)

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