



Income Investors: 3 REITs You Can Add to Your Portfolio Today

Description

REITs, or real estate investment trusts, are one of the best investment options available as the economy slowly reopens. These instruments provide investors exposure to multiple properties rather than owning a single one. So, because of the high flexibility, greater diversity, and passive-income-generating capacity of these stocks, investors usually find them more lucrative.

Let's take a look at three such REITs that should be on your radar today.

Choice Properties REIT

Based in Ontario, **Choice Properties REIT** ([TSX:CHP.UN](https://www.tsx.com/stocks/CHP)) is the largest REIT in Canada valued at an enterprise value of \$16 billion. This REIT is known for its ability to provide bond-like income to investors. Its portfolio has over 725 properties consisting of industrial, office, and residential units located in attractive areas, and those are largely anchored by **Loblaws** subsidiaries. Nearly 71% of its income comes from grocery- and pharmacy-based retail properties; therefore, it can perform well, even in times of economic disturbances.

Choice REIT's second-quarter financials, which were released recently, indicated the company had continued to produce solid earnings, despite the regional lockdowns being imposed across Canada. It reported a net income of \$84.6 million against a net loss of \$95.8 million reported in the second quarter of 2020 and paid off \$200 million of debentures. Moreover, it had increased its net assets value per unit by 3.6% along with transferring 149,000 square feet of new GLA to income-producing assets. Further, Choice REIT currently provides an attractive dividend yield of more than 5%.

SmartCentres REIT

SmartCentres REIT ([TSX:SRU.UN](#)) is one of Canada's largest fully integrated REITs. Interestingly, this REIT has survived the 2009 financial crisis and 2020 pandemic without reducing dividend payouts. Its portfolio consists of more than 166 properties, having 34 million leasable square feet in the prime regions of Canada spread across more than 3,400 tenants.

Around 73% of its portfolio is anchored by **Walmart**, making the REIT a top bet for investors across business cycles. Moreover, SmartCentres is one of the first REITs to benefit from the economic reopening, as 98% of its earnings comes from open-air centres.

SmartCentres has successfully come out of the pandemic in good shape, while many of its contemporaries are still moving towards recovery. It is about to announce its second-quarter financials today, and a stellar performance or guidance could push the stock higher.

In Q1 of 2021, the REIT reported that its portfolio's average collection level had exceeded 94%. While the stock does not provide much in terms of capital appreciation, it has a tasty [dividend yield](#) of 6.14%.

Allied Properties REIT

Allied Properties ([TSX:AP.UN](#)) is a Toronto-based REIT with a market cap of \$5.5 billion. It began with the aim of consolidating class-one workspaces across Canada. The REIT is now one of the leading owners, developers, and managers of urban workspaces and data centres across major cities and top locations of Canada. Currently, it has over 200 properties that are strategically placed in seven important Canadian cities.

Last month, Allied properties came up with its [second-quarter financials](#). Despite the impact of COVID-19, the REIT improved its same-asset NOI for its rental portfolio by 6.4%, while the FFO and AFFO per unit rose by 8.1% and 7.2%, respectively, from the comparable quarter of last year.

The NAV per unit had also grown by 1.1%. Moreover, the stock is for dividend-loving investors, as it provides a forward yield of 3.83%. When most REITs slashed dividend payouts at the onset of the pandemic in early 2020, Allied Properties kept up with its Dividend Aristocrat tradition and instead grew payouts by 3%.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

TICKERS GLOBAL

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2. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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