4 REITs for Decades of Dividends

Description

One of the best ways to create wealth is through dividends. And of those stocks, real estate investment trusts (REITs) have, in the past, been a superior place to go. However, during the pandemic, this area became a lot less certain for paying out dividends. Yet there are signs that could soon come to an end. So here are four REITs that Motley Fool investors should consider for their passive income portfolio.

Can-do attitude

RioCan REIT (TSX:REI.UN) continues to be a steal for Motley Fool investors seeking dividends. The company's mixed-use properties offered a stable way to collect as much cash as possible during the pandemic. The residences continued to bring in rent, while its commercial properties scaled back. Now that restrictions are easing, analysts believe RioCan should continue to climb.

Shares are up 52% in the last year, but analysts believe it could climb by an average of 8.23% over the next year. Meanwhile, the stock is still a steal with a P/E ratio of 16.15 as of writing — all while you collect dividends at a yield of 4.34%! As the company continues to develop its Toronto properties, especially in the commercial space, Motley Fool investors should continue to see returns climb.

A capital investment

First Capital REIT (TSX:FCR.UN) is another REIT offering dividends on top of the already strong returns this year. Shares have climbed 29% in the last year, and analysts believe another 18% could be on the way. And the company recently added a fair share of cash to its portfolio. First Capital sold off two mixed-use properties in Toronto, adding $224 million to its books. This was on top of another 50% sale of a stake in a Toronto property, which brought the total asset sales to $400 in about a week.

First Capital seems to be selling while they can and plans to use the cash to create opportunities forthe future. That cash should also support the company's dividends, which currently sit at a 2.41% yieldas of writing. And you can still pick up the stock with a 13.19 P/E ratio, making it a steal based onreturns and future dividends.

Anything but tired

CT REIT (TSX:CRT.UN) proved its resilience during the pandemic. The company saw e-commerce sales soar, and managed to keep in-store sales relatively strong with curbside pick-up. This meant that the company's Canadian Tire locations continued to pay rent, and even renewed lease agreements with interest rates so low. Each lasts around a decade, supporting dividend growth in that time.

The company announced another strong quarter last week, with five new investments coming down the pipeline totalling $60.3 million. While returns may stay relatively stable after 30% in the last year, the company offers dividends at 4.78% as of writing. Add that to a compound annual growth rate (CAGR) of 8.26% in the last five years, and you've got a stock that will continue to perform for decades.

Keep dividends healthy

NorthWest Healthcare Property Units (TSX:NWH.UN) is my top choice for those seeking dividends. On the one hand, management proved it can continue bringing in income even during a pandemic. This is thanks to being an essential service. But it's then used that cash to make strong investments. Most recently that included a $2.6 billion acquisition of an Australian healthcare REIT. And that's all while retaining a 14.3-year average lease agreement, and 97% occupancy rate.

Shares of NorthWest rose 22% in the last year, and even with all this great news, it offers a P/E ratio of 9.29. That's a steal in my book. Especially while offering a whopping 6.13% dividend yield. So this is a stock I would pick up in bulk, if only for dividends. But as cash climbs, it's likely your returns will climb along with it.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CRT.UN (CT Real Estate Investment Trust)
2. TSX:FCR.UN (First Capital Real Estate Investment Trust)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:REI.UN (RioCan Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. alegatewolfe
2. arosenberg

Category

1. Dividend Stocks
2. Investing

Date
2025/08/17
Date Created
2021/08/16
Author
alegatewolfe