3 REIT Stocks to Buy for More Than Just Dividends

Description

Motley Fool investors have joined the herd or investors seeing value over growth these days. With the market continuing to rise, growth opportunities are becoming fewer and fewer. That means many have been looking for stocks to buy with dividends attached.

I'm not saying that's wrong, but when it comes to dividend stocks investors tend to go straight towards real estate investment trusts (REIT). Also not wrong, but there are so many available! It can be hard to decipher what to choose. So, I'm going to cover three options of REIT stocks to buy right now. Not only do you get substantial income from dividends, but growth on the way as the economy recovers.

Go urban

During the pandemic, Motley Fool investors moved away from urban investing. That included with REITs like **Allied Properties REIT** (TSX:AP.UN). Allied owns urban workspaces in Canada's major cities. These workspaces were all but abandoned during the pandemic. But all that is about to change.

As workers go back to the office, Allied is likely to see an increase in revenue from lease and rental agreements coming in. And the company has a winning method of upping revenue growth. Allied simply buys up industrial properties and repurposes them to create these workspace and data centres. These mixed-use properties have seen the company pay monthly dividends for the last 13 years without fail.

Allied is one of the best stocks to buy for this dividend yield of 4% as of writing. Meanwhile, it's been growing steadily, up 16% year to date, with another 16% average potential upside from analysts. Yet it still trades at a P/E ratio of 16.54 as of writing.

Back to work

Speaking of back to the office, office buildings in general offer a substantial opportunity for investors. That's why **Dream Office REIT** (TSX:D.UN) is another of the stock to buy today. This dividend REIT has a 4.44% dividend yield, with offices primarily in downtown Toronto. So,it’s yet another company that should see a rebound thanks to the return to the office.

Right now, Motley Fool investors may be put off by its 88% occupancy rate, but that’s very likely to improve, as the recovery gets underway. Revenue has already started to recover, and so have shares. Currently, the stock is up 17% year to date. Yet again, it holds incredible value among stocks to buy. Investors can pick it up today with a P/E ratio of 12.73, with analysts believing more growth is on the way.

Stay healthy

Finally, **NorthWest Healthcare Property REIT** (TSX:NWH.UN) continues to be a steal, despite strong performance. The pandemic proved to bring in revenue, as the company focuses on a diverse range of properties within the healthcare industry. This is one of the top stocks to buy, as it has proven to be an essential service. Revenue has poured in during and since the pandemic.

The company has used this cash to expand, acquiring properties and even an Australian healthcare REIT in the meantime. Yet it remains a major deal, trading at a P/E ratio of just 9.28! With shares growing just about 7% year to date. Shares are bound to catch up eventually, according to analysts. These healthcare REITS are protected against global inflation, making them in high demand. So, those record revenues are likely to keep coming in. And Motley Fool investors can pick up this stock to buy with a yield of 6.16% as of writing!

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AP.UN (Allied Properties Real Estate Investment Trust)
2. TSX:D.UN (Dream Office Real Estate Investment Trust)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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alegatewolfe