



The 3 Best Canadian REITs to Buy Today

Description

Real estate investment trusts (REITs) are companies that own, operate, or finance income-generating real estate. These investment vehicles have been a reliable source of [income](#) and growth, especially over the last decade. Canadian real estate has been on fire on a commercial and residential basis. Fortunately, the COVID-19 pandemic did not torpedo the ongoing bull market. Today, I want to look at three of the [top REITs](#) that are worth adding in October. Let's jump in.

One of the top REITs by market cap is worth your attention

All the way back in November 2019, I'd looked at some of the top REITs to add. **RioCan REIT** ([TSX:REI.UN](#)) is one of the largest REITs on the TSX by market cap. Its shares have climbed 35% in 2021 as of early afternoon trading on October 8. The stock is up 50% from the prior year.

The REIT released its second-quarter 2021 results on August 5. It reported strong leasing activity with 1.4 million square feet of new and renewed leases with new leasing spread of 9.2% and blending leasing spread of 5.4%. Net income improved to \$145 million. Funds from operations (FFO) were reported at \$127 million — up from \$109 million in the second quarter of 2020.

Shares of this REIT possess a favourable price-to-earnings (P/E) ratio of 16. It offers a monthly distribution of \$0.08 per share, which represents a solid 4.3% yield.

Why I'm looking to stash this defensive REIT

Grocery retailers proved to be a fantastic defensive play in the face of the COVID-19 pandemic. **Slate Grocery REIT** ([TSX:SGR.U](#)) is an owner and operator of United States grocery-anchored real estate in major U.S. metro markets. Shares of Slate Grocery REIT have climbed 14% in 2021. However, shares of this REIT have dropped 4.7% month over month.

Investors can expect to see its third-quarter 2021 results in late October. In Q2 2021, Slate Grocery saw occupancy increase 0.1% from the prior year. Meanwhile, rental revenue climbed 10% from the

previous year to \$33.3 million. Funds from operations (FFO) rose 12% to \$12.5 million.

Slate Grocery last paid out a monthly distribution of \$0.072 per share. That represents a monster 8.4% yield. This is a REIT that you can trust for the long haul.

Look to the healthcare sector in early October

Earlier this year, I'd looked at some of the best stocks to snatch up in the [healthcare space](#). My top REIT in this space is **Northwest Healthcare REIT** ([TSX:NWH.UN](#)). This REIT owns and operates a global portfolio of high-quality real estate. Its shares have increased 5.3% so far this year. The stock has slipped 2.3% month over month.

In Q2 2021, Northwest posted adjusted funds from operations (AFFO) growth of 7.8% to \$0.22 per share. Meanwhile, total assets under management (AUM) climbed 20.9% to \$8.3 billion. This REIT offers one of the top defensive plays on the TSX in this environment. It last paid out a monthly dividend of \$0.067 per share, which represents a tasty 6.1% yield.

CATEGORY

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2. TSX:REI.UN (RioCan Real Estate Investment Trust)
3. TSX:SGR.U (Slate Retail REIT)

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