3 REITs That Pay You Every Month

Description

Key points

- These three REITs may seem different, but each pays a solid monthly dividend.
- While the pandemic may have provided opportunities in areas such as healthcare, don't ignore the rebounding industries.
- Furthermore, industrial REITs remain a solid option for those seeking income and growth.

Real estate investment trusts (REITs) are strong options for Motley Fool investors looking to create passive income. You don't need to purchase a property to see long-term gains. Instead, you can pick up shares for a fraction of the price from companies that require to pay out at least 90% of taxable income, usually through dividends.

Yet right now, there are several REITs that Motley Fool investors should consider based on their relative industries. These industries have seen strong growth in the pandemic recovery — some even during the pandemic itself. And better yet, they pay out monthly dividends rather than quarterly ones.

So, let's take a look at three to consider.

NorthWest Healthcare

NorthWest Healthcare Property Units REIT (TSX:NWH.UN) boasts a monthly dividend yield of 5.9%. The healthcare REIT maintains a strong portfolio of healthcare properties around the world, providing stable income. This comes from an average global lease agreement of 14.1 years.

While the revenue is stable, recent mergers and acquisitions by the company creates a growth opportunity for investors. Its 190 properties now include two additional properties in the Netherlands and an Australian healthcare REIT worth over $2 billion.

NorthWest recently reported its third-quarter results, seeing its net asset value increase 11% year over year, with total assets under management increasing 15.1% year over year to $8.5 billion. It retains a strong portfolio occupancy at 96.9%, and internationally at 98.5%.

Shares of NorthWest remain cheap at $13.48 as of writing, continuing to trade near 52-week highs. The $2.9 billion company holds a 5.9% dividend yield, producing annual income of $0.80 per share, or $0.067 per month.

Dream Industrial

Dream Industrial REIT (TSX:DIR.UN) is a strong REIT for those seeking income connected to e-commerce. Dream REIT owns 266 industrial properties across Canada, the United States, and Europe. It boasts a monthly dividend, currently at a 4.22% dividend yield.

During the company's recent earnings report, the REIT saw an increase in diluted funds from operations of 25%, with NAV up 18.8% year over year. Furthermore, rental income increased 41.3% year over year. This all came in above analyst expectations, with analysts increasing their consensus for the stock.

Dream now has $600 million worth of acquisition projects in the works, jumping hard onto that e-commerce bandwagon. Yet it remains a great deal, with a potential upside of 14% as of writing for the next year.

Motley Fool investors can pick up the stock at about $17 per share as of writing, with a yield of 4.22%. That represents an annual dividend per share of $0.70, or $0.583 per share per month, from this $3.9 billion company.

Slate Office

The other area that's seen marked improvement during the pandemic is the workspace. Companies may not have entirely returned to work, but an office seems to be something many companies still require. And that means a return to increased use for **Slate Office REIT** (TSX:SOT.UN).

Slate REIT offers a dividend yield of 7.79% as of writing, but before you get too excited, this comes from being in repair mode. It recently reported its third-quarter results, with strong growth expected in the future. It achieved its fourth consecutive quarter of growth in funds from operations, and continues to find ways of bringing down debt. This comes from selling properties but also investing in new opportunities.

Such an opportunity came up recently when Slate REIT acquired office, life sciences, and lite-industrial real estate Yew Grove in Ireland for $254.8 million. So, with this recent purchase, Motley Fool investors get access to every industry described in this article.

Yet again, Slate REIT remains attractive value wise, with shares at $5, and a potential upside of 13% as of writing. You can get a 7.79% dividend yield, though that's still only $0.40 annually, or $0.033 per month.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:RPR.UN (Ravelin Properties REIT)

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