



2 Top REITs Dividend Investors Can Buy Right Now!

Description

A REIT, or real estate investment trust, is a company that holds a portfolio of real estate loans. This asset class provides investors an opportunity to invest in income-producing [real estate](#) with a low amount of capital. Basically, REITs aim to combine the features of real estate and equity investments.

So, you can benefit from a steady stream of dividend income as well as long-term capital gains, making them ideal for income-seeking investors. Here, we look at two such REITs Canadians can buy right now.

Summit Industrial Income REIT

A REIT focused on growing a portfolio of light industrial properties in Canada, **Summit Industrial Income REIT** ([TSX:SMU.UN](#)) is valued at a market cap of \$3.85 billion. It aims to maximize funds from operations through accretive acquisitions, innovative financing solutions, property development opportunities, and effective property management.

Summit Industrial provides its tenants with high-quality industrial properties that are close to major transportation links and high-growth population centres. These light industrial properties are one-story buildings located in or near major cities and are used to provide services that include warehousing, storage, light assembly, shipping, and other similar uses.

Historically, these properties have generated income returns at or near the top of the Canadian real estate industry due to the strength and stability of the sector. These properties benefit from lower market rent volatility and operating costs as well as a broad and diverse tenant base in addition to low capital expenditures, maintenance costs, and tenant inducements.

In Q3 of 2021, Summit Industrial Income REIT increased revenue by 12.4% year over year on the back of portfolio growth, rent increases, and high stable occupancies. Its net rental income increased by 15.6% in Q3 and by 16.4% in the last nine months.

Summit Industrial REIT has increased revenue from \$92.15 million in 2018 to \$190.9 million in 2020. In

the last 12 months, its sales have touched \$211 million. It offers investors a forward yield of 2.6%, and the stock is forecast to gain almost 20% in the next 12 months, according to average price target estimates. Shares have already gained over 700% in dividend-adjusted gains in the last 10 years.

Killam Apartment REIT

One of Canada's [largest residential landlords](#), **Killam Apartment REIT** ([TSX:KMP.UN](#)) is valued at a market cap of \$2.44 billion. It owns, operates, manages, and develops a \$3.6 billion portfolio of apartments and manufactured home communities.

The REIT aims to enhance value and profitability by increasing earnings from existing operations, expanding its portfolio, and diversifying geographically via accretive acquisitions and development of high-quality properties in core markets.

In [Q3 of 2021](#), same-property net operating income rose by 7.4% reflecting strong demand for apartments and rebound of its seasonal manufactured home communities as well as strong leasing in the commercial segment. Killam now expects the same-property NOI growth to surpass 4% in 2021.

Killam Apartment also invested \$118.3 million in four new properties totaling 482 units, allowing it to add a total of 1,601 apartment units from acquisitions and development programs.

Killam Apartment offers investors a forward dividend yield of 3.2%, and the stock should gain around 15% in the next year given consensus price target estimates.

Shares of Killam Apartment have returned 177% to investors in dividend-adjusted gains since going public in January 2016.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:KMP.UN (Killam Apartment REIT)
2. TSX:SMU.UN (Summit Industrial Income REIT)

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