2 Canadian REITs to Buy That Just Increased Their Distributions

Description

Many stocks have been selling off over the last few months, but some of the hardest-hit stocks have been REITs. With rising interest rates likely to cool the real estate market in addition to impacting margins due to higher interest expenses, it's understandable that these stocks have sold off. But there are also some high-quality Canadian REITs that you can buy and hold with confidence.

When it comes to buying REITs, it all depends on what you're looking for. Some REITs are better suited for growth, while others offer higher yields and are ideal for dividend investors.

As long as the REITs you're looking to buy have high-quality operations, operate in regions that have long-term potential and have solid financials, you can own these high-quality REITs with confidence.

If you're looking to increase your exposure to the real estate sector or even take advantage of the recent pullback in stocks, here are two high-quality Canadian REITs to buy that just increased their distributions.

A top Canadian retail REIT

If you're a dividend investor, a REIT that you'll want to consider today is **CT REIT** (TSX:CRT.UN). CT REIT is one of the best Canadian REITs to buy because it's highly reliable, and because it increases its distribution each year, it's included on the Canadian Dividend Aristocrats list.

Finding a stock that can offer reliable dividends is crucial in this environment. But when you consider that CT REIT is constantly increasing its distribution each year, it's clear it's a stock to consider strongly.

One of the reasons CT REIT has performed so well, especially when several other retail REITs have struggled in recent years, is that it's owned by **Canadian Tire**. Not only that, but the stock receives roughly 90% of its revenue from Canadian Tire, which also happens to be another impressive stock that just increased its dividend.

CT REIT has plenty of its own plans for growth as well, including a net-zero emissions warehouse it's building in Calgary. So, given the fact the stock has been operating so well, it was no surprise when it announced another increase to its monthly dividend effective July 2022.

The 3.4% dividend increase will offer another nice bump to investors' passive income while leaving CT REIT with cash left over to invest in additional growth.

So, if you're looking for some of the best Canadian REITs to buy now, CT REIT and its current 4.9% yield is certainly a top candidate.

One of the best Canadian REITs to buy now

Another high-quality Canadian REIT that just posted impressive earnings along with raising its monthly distribution was **H&R REIT** (TSX:HR.UN).

H&R owns a diversified portfolio that includes industrial, residential, retail and office properties across Canada and the United States. However, lately, it's been divesting non-core assets and focusing much more on residential and industrial, which has made it one of the best Canadian REITs to buy.

So far, in the roughly two quarters since it announced its transition, H&R has been performing well. In addition, not only did the REIT just increase its distribution, but it's been trading well undervalued, and the REIT has taken advantage.

Since the start of 2022, it's already bought back nearly $14 million in shares at an average price below $13. In addition, management noted that at this price, using its excess cash to buy back shares looks to be the most efficient use of capital.

And not only is the stock undervalued today, but with its recent distribution increase, it now offers a yield of roughly 4%. Therefore, if you're looking for some of the best Canadian REITs to buy, H&R offers both long-term growth potential and an attractive yield.

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