Canadians: 3 High-Yield REITs to Target in This Choppy Market

Description

The **S&P/TSX Composite Index** was up 71 points in early afternoon trading on September 7. Energy was the only sector to suffer a steep loss at the time of this writing. That said, investors still have reason to be concerned about volatility in this uncertain market. Today, I want to zero in on three real estate investment trusts (REITs) that offer high-yield dividends. These REITs may be worth stashing for the consistent income they offer in this shaky period. Let's dive in.

Here's a dirt-cheap REIT that offers nice income

Allied Properties REIT (TSX:AP.UN) is a Toronto-based real estate investment trust (REIT) that is an owner, manager, and developer of urban work spaces in Toronto. Shares of Allied Properties have dropped 30% in 2022 at the time of this writing. That has pushed the stock into negative territory in the year-over-year period.

This company released its second-quarter (Q2) fiscal 2022 results on July 27. It delivered rental revenue growth of 11% to $154 million. Meanwhile, net income rose 1.5% to $100 million. EBITDA stands for earnings before interest, taxes, depreciation, and amortization. The measurement seeks to give a more accurate picture of a company's profitability. Allied Properties delivered adjusted EBITDA growth of 10% to $101 million in the second quarter of fiscal 2022.

Shares of this REIT currently possess a very favourable price-to-earnings ratio of 7.3. It offers a monthly dividend of $0.146 per share. That represents a strong 5.6% yield.

Seek exposure to commercial properties through this top REIT

CT Real Estate Investment Trust (TSX:CRT.UN) is a Toronto-based REIT that owns income-producing commercial properties across Canada. Its shares have declined 4.6% in the year-to-date period. The stock is down 8.2% year over year.

Investors got to see this REIT's second-quarter 2022 earnings on August 8. Property revenue increased 2.3% year over year to $132 million. Meanwhile, net operating income climbed 3.7% to $104 million. The company reported adjusted funds from operations (AFFO) of $66.6 million, or $0.28 per diluted share — up from $64.2 million, or $0.27 per diluted share, in the second quarter of fiscal 2021. It delivered AFFO growth of 3.3% to $131 million in the first six months of fiscal 2022.

This REIT last had a solid P/E ratio of 30, putting it in attractive value territory compared to its industry peers. It offers a monthly distribution of $0.072 per share, which represents a 5.3% yield.

One more undervalued REIT that boasts a high yield

Automotive Properties REIT (TSX:APR.UN) is the third and final REIT I'd look to snatch up in the first half of September. This Toronto-based REIT is focused on owning and acquiring primarily income-producing automotive dealerships properties across Canada. Its shares have dropped 7.8% so far in 2022.

In Q2 2022, Automotive Properties delivered rental revenue growth of 6.5% to $20.8 million. Meanwhile, AFFO jumped 3.8% to $11.4 million. It delivered net income growth of 37% to $60.8 million in the year-to-date period.

Shares of this REIT possess a very favourable P/E ratio of 6.4. It last paid out a monthly dividend of $0.067 per share, representing a tasty 5.9% yield.

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