



The Top REITs Available to Retirees Today

Description

As the increases in interest rates are expected to continue until at least the end of the year, investors may think that they have very little reason to rush into the REIT sector. The sector has, however, offered returns that have far outpaced the general market over the past decade. As such, it may be a good idea to reconsider this sector.

After moving sideways (and, in many cases, selling off), many REITs currently offer dividend yields that are far above the risk-free rate of return and sell for a share price that is very close to tangible book value. In certain cases, they are even at a discount to tangible book value. The caveat for investors is that these investments may take a long period of time to work out very profitably, as increasing interest rates will put downward pressure on share prices and asset values.

Case in point: **Dream Office Real Estate Investment Trst** ([TSX:D.UN](#)), which needed several years to rebound after paying a dividend that was simply too generous to be sustained. At a current price of \$25 per share, investors are receiving assets that are close to that very amount. On top of that, the dividend provides a yield of no less than 4%, which could increase fairly shortly as the properties owned in western Canada could be rented [once again](#). As a reminder, the decline in the price of oil has drastically impacted the demand for office space in both Calgary and Edmonton.

For investors seeking something that trades at a larger discount to tangible book value, shares of **Slate Office REIT** (TSX:SOT.UN) may be the best name available. In addition to buying assets at less than 100 cents on the dollar, investors will receive a dividend yield of no less than 9.3% and benefit from a share buyback in the process. Although it rarely happens for the best, a dividend cut for this REIT could yield a substantial benefit to investors, as the free cash available could be used to re-purchase additional shares.

The third name on the list is none other than **Pure Multi-Family REIT LP** (TSXV:RUF.UN), which, after receiving a takeover offer, saw shares jump to more than \$9. At this level, investors will receive generous dividend payments of approximately 5.25% as the dividend is paid in U.S. dollars. Combined with this [generous yield](#), investors have the potential to achieve a short-term capital gain should shares be pushed higher by any other suitor wishing to acquire high-quality assets.

As a reminder, the same group that started Pure Industrial Real Estate Investment Trust is the group behind Pure Multi-Family REIT. Sometimes winners stick together, and investors need to follow the winners!

With a number of high-quality names to choose from, increasing interest rates have offered investors a number of excellent opportunities to make large gains. All we have to do is accept them.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:D.UN (Dream Office Real Estate Investment Trust)
2. TSX:RPR.UN (Ravelin Properties REIT)

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1. Msn
2. Newscred
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