



Collect a 7.7% “Rent Cheque” Without Becoming a Landlord

Description

Becoming a landlord is one of the best income sources out there.

You collect rent month after month and every year your income grows. Many people *retire* on the money generated from their rental properties.

However, the truth is that being a landlord is kind of a hassle... collecting security deposits... chasing down late payments... fixing clogged toilets. That’s why you might be interested to learn that there’s a simple way to collect monthly rental income — without the trouble of actually becoming a landlord.

Collect your first “rent cheque” by August 31

To put it simply, I’m talking about becoming a partner with an already established landlord: **Dream Office REIT** ([TSX: D.UN](#)).

Dream isn’t just any landlord. This real estate investment trust is an extremely successful, well-diversified landlord managed by some of the greatest investors in the business. Because the trust is publicly traded, it can be bought and sold just like any common stock.

Dream’s portfolio is enormous. It owns 185 rental properties encompassing nearly 28 million square feet, of which 94% is currently occupied. This portfolio includes some of the most valuable real estate properties in the country.

What I really like about Dream are its tenants. Dream doesn’t rent to individuals. In fact, the trust doesn’t deal in residential housing at all. This landlord specializes in commercial and office properties.

After all, corporate tenants typically have far more rent money than the nice folks answering classified ads on Craigslist. I’m talking about rock-solid companies like **BCE Inc.**, **TELUS Corporation**, and **Enbridge Inc.** Needless to say, these renters always pay their rent on time and certainly aren’t going out of business any time soon.

These high-quality tenants have allowed Dream to pay out steady, predictable distributions to its

investors. Since the trust started making distributions in 2003, it has never missed a payment or lowered its total annual payout. Remember, that time period includes *two* major recessions.

Today, the trust pays investors an annual distribution of about \$2.24 per unit. That comes out to a 7.7% yield, making this one of my favourite income securities.

The best part is that these safe and steady distributions are paid out each month ... so you don't have to wait to start cashing in. The next round of distribution cheques is scheduled to be mailed out at the end of the month, and every 30 days after that.

The bottom line is that REITs like Dream are a great way to generate safe, reliable cash flow. Today, thousands of ordinary investors are collecting monthly rental income even though they in many cases they don't own a single rental property. That's why this trust deserves a place in any income portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:D.UN (Dream Office Real Estate Investment Trust)

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