



RioCan Real Estate Investment Trust: Earn \$1,200 in Monthly Income Starting Nov. 7

Description

Nowadays, it's tough to find safe income investments that yield much over 2%.

But here at Motley Fool Canada, it's my job to hunt down these dividend-cranking stocks. And this find might be my best find ever.

That's because this special trust generates so much cash, it yields **TWICE** as much as your typical stock. And you can expect that payout to keep growing in the years ahead.

Let me explain...

As regular readers know, owning real estate investment trusts, or REITs, allow income investors to earn steady rental income without the hassles of becoming a landlord. A REIT is essentially a management company that owns property. It collects rents and passes on almost all of its income to unitholders.

RioCan Real Estate Investment Trust ([TSX: REI.UN](#)) is one of my favourite names in this space. The trust's portfolio includes some of the most valuable real estate in the country, totalling some 79 million square feet. Altogether, RioCan's business empire spans some 330 properties across North America.

However, RioCan is not your average landlord. The firm specializes in retail and commercial tenants. I'm talking about blue-chip companies like **Wal-Mart Stores, Inc**, **Loblaws Companies Limited**, and **Canadian Tire Corporation Limited**.

This is an area of the rental market that is usually off-limits to small investors. Needless to say, these tenants always pay their bills. They aren't going out of business any time soon.

But there's another reason why RioCan partners do so well for themselves. Thanks to a special agreement with the government, the trust pays NO corporate income taxes. Of course, there's a catch. In exchange for this tax benefit, the firm is also required by law to pass on almost all of its monthly profits to partners.

This is how the trust has managed to pay out such steady, oversized rent cheques. Since RioCan started paying partners in 1994, it has never missed or lowered its total annual payments. Even through the height of the financial crisis in 2009, unitholders could always count on their monthly distribution income.

As a partner with this landlord, you never have to chase down rent from tenants. You just sit back and wait for the cheques to arrive in your mailbox. There are no deposits to collect or toilets to unclog.

Collect a 5.3% 'rent cheque' without becoming a landlord

Today, RioCan pays investors an annual distribution of \$1.41 per unit. That comes out to a yield of 5.3%. However, you can count on that payout to grow in the years to come as tenants renew their leases at higher rates.

Best of all, RioCan pays its partners monthly. That means you don't have to wait to start cashing in. The next round of distributions are scheduled to be mailed out in a few weeks. If you become a partner by October 29, you can collect your first rent cheque by November 7.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:REI.UN (RioCan Real Estate Investment Trust)

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