Create Your Own Perpetual Income Machine With These 3 REITs

Description

Imagine the place in the world that makes you the happiest. Perhaps it's a secluded beach in Mexico. Or wandering down a cobblestone road somewhere in Europe. Or something simple like your local coffee shop or pub, surrounded by all your friends.

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For me, that place is the hustle and bustle of Las Vegas. I love everything about that city, from the seemingly endless food and entertainment options to the thousands of interesting people. I love recognizing a random Canadian from his Toronto Blue Jays hat or Saskatchewan Roughriders sweater and having a chance conversation. And, at least for me, there's nothing more fun than taking a walk down The Strip and just watching people.

I'm sure that you, like me, would much rather be hanging out at your happy place right now – especially now that winter is upon us. Brushing your car off in minus 20 weather just so you can drive to work? Yeech. How about rolling out of bed, grabbing your e-reader, and going to find a comfy beach chair? Sounds better, right?

Well, I'm here to tell you, such a life is possible. Chances are it won't happen today, tomorrow, or any time soon, but if you play your cards right, I can say with a fair amount of confidence that it could happen in the future.

It might not seem like much to put away $500 or $1,000 per month, but after a while that money really adds up. It just takes a few years… or a couple of decades. Remember, this is a marathon, not a sprint.

Imagine you did this over many years, spreading your money out over 3 REITs — **Calloway Real Estate Income Trust** (TSX: CWT.UN), **Cominar Real Estate Investment Trust** (TSX: CUF.UN), and **H&R Real Estate Investment Trust** (TSX: HR.UN). What kind of results would you have?

Each of these REITs has a history of paying shareholders steady income. Both H&R and Cominar are well diversified, with exposure to retail, commercial, and industrial property. H&R has some exposureto the U.S., while Cominar is focused in Quebec and Atlantic Canada. Calloway has the advantage of having a **Wal-Mart** be the anchor tenant of just about every development it owns, which helps attract other tenants. Both Calloway and Cominar also just recently raised their distributions.

If you bought all three REITs equally, you'd have an average yield of 6.5%. For easy figuring let's assume both the price of each company and the distribution creep up 2% a year, giving us a steady income of 6.5% but a return of 8.5%. Assuming $10,000 per year put into the investment, all dividends reinvested, and ignoring commissions, just how much income would this investment be generating after 10, 20, and 30 years?

After a decade, the investment would be generating nearly $12,000 in annual income. After 2 decades, the amount leaps to $37,400. And by the end of 30 years, you're not only looking at an annual income of more than $95,000, but you'd also be sitting on almost $1.5 million worth of stock.

Of course, this is just a simple example. I can't guarantee these stocks will continue to perform in the future, and it would be silly to put all of your eggs in the REIT basket. And, of course, it's impractical to put exactly $333.33 per month into each investment.

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But the primary message holds true. If you start now, reinvest those dividends, and look for companies that pay a decent starting yield with a history of dividend growth, you too can create an income stream to give you the freedom to create whatever future you'd like.

If you're looking for more dividend stocks to get you started, check out the **FREE** report below.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:HR.UN (H&R Real Estate Investment Trust)
2. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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