



Collect Up to \$1,250 in Monthly Rental Income From Canadian Apartment Properties REIT

Description

It's not easy to find a safe dividend stock that yields much better than 2%. But I've found a business that pays more than twice the yield of your average company.

You see, this unique firm owns hundreds of apartment buildings across the country. That's how it has been able to pay out so much cash to unitholders. And now the owners — who have already banked millions — are willing to split the profits with us.

However, if you want to collect your own monthly rental income, then you have to act fast. The next round of distributions are scheduled to be mailed out in a few weeks. To be eligible, you need to become a shareholder of record before Friday, December 26. Let me explain...

Safe 5% stock goes ex-dividend December 26

Real estate is a wonderful business. Buy a few properties. Take care of your tenants. Pay off the mortgages. In 25 years or less, you will have created a dynasty of wealth that can last generations.

But aside from cashing those fat rent cheques every month, becoming a landlord is not for everybody. There are a lot of daily hassles — fixing leaky faucets, collecting security deposits, and chasing down late payments. Not to mention the stress of taking out giant loans to buy new properties.

While we could all use the extra cash, buying investment real estate is no walk in the park. So you might be interested to learn about a way to collect monthly rental income *without* becoming a landlord. I'm talking about becoming a partner with an already established, highly successful property owner: **Canadian Apartment Properties REIT** ([TSX: CAR.UN](#)), or Cap REIT for short.

Cap REIT gives you all the perks of owning rental properties without the headaches. More than two-thirds of the trust's portfolio consists of manufactured homes and mid-tier apartment buildings, a recession-proof niche within the real estate market.

No, it's nothing fancy. Owning this firm won't make you the talk of the next cocktail party. However,

these assets will continue to prosper even if the rest of the economy struggles.

I like to think of Cap REIT as the “dollar store” of housing. Dollar stores are a low-cost provider of staple household products. When the economy takes a nosedive, people don’t stop shopping there. In fact, dollar stores may see even *more* customers. That makes businesses like **Dollarama Inc.** and **Dollar Tree, Inc** a smart place to invest in a recession.

Cap REIT follows that same principle, except in real estate. People always need a place to live. And because the business is focused on affordable housing, this firm sees steady demand no matter what the economy is doing.

Thanks to an obscure loophole, Cap REIT pays no corporate income taxes. Of course, there’s a catch. To qualify for this privilege, the trust is required by law to pass on almost all of its profits to partners.

This is how Cap REIT has been able to pay out such consistent, oversized rent cheques. Since 1998, long-time partners have collected 200 consecutive distributions. Remember, this is a period that included two major recessions.

Today, Cap REIT pays investors an annual distribution of \$1.18 per unit, which comes out to a yield of 5.0%. Needless to say, that’s far more than you’ll ever earn in other asset classes. And you can expect that payout to grow in the years to come.

Collect \$1,250 in monthly income starting January 15

The best part is that CAP REIT pays unitholders monthly. Starting with a \$30,000 investment, you can earn an extra \$125 per month in distributions. If you invest \$300,000 (about the cost of buying your own rental property), then you can collect \$1,250 in monthly rental income.

The next round of distributions is scheduled to be mailed out in a few weeks. If you become a partner by December 26, then you can collect your first rent cheque by January 15.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)

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