



Collect Up to \$1,500 in Monthly Rental Income Starting June 5

Description

Nowadays, it's hard to find safe stocks that yield much more than 2%.

However, thanks to an obscure tax loophole, I've found a real estate company that pays out up to three times more retirement income than an RRSP. In fact, this remarkable business cranks out more than **DOUBLE** the yield of your typical blue-chip stock.

But if you want to collect this giant dividend, then you have to act fast. The next round of cheques are scheduled to be mailed out in a few weeks. To be eligible, you have to become a partner by Wednesday, May 27. Let me explain...

How to collect monthly rental income *without* becoming a landlord

Real estate is a wonderful source of retirement income. Each month, your tenants pay you rent. Each year, your property values go up a little. Throughout all time in all places, it has been, it is, and will always be the rich who own real estate.

Unfortunately, becoming a landlord is also kind of a hassle: shoveling driveways, fixing leaky faucets, chasing down late payments. We've all heard those landlord horror stories of nightmare tenants trashing apartments and leaving thousands of dollars in damages.

While we could all use the extra cash, few people are cut out to own rental properties. However, there's another way to invest in real estate *without* becoming a landlord. Simply put, I'm talking about becoming a partner with an already established property owner through **RioCan Real Estate Investment Trust** ([TSX:REI.UN](https://www.scribd.com/document/448111111/TSX-REI-UN)).

RioCan gives you all the benefits of becoming a landlord minus the headaches. As a partner with this trust, you become the part owner of the largest realty empire in Canada. The trust is set up to own properties, collect rent from tenants, and pass on the income to investors.

However, unlike your typical landlord, RioCan doesn't own apartment buildings or residential properties. Instead, this firm specializes in malls and shopping centres—an area of the real estate market that is usually off-limits to small investors.

RioCan leases out its properties to a number of corporations that I'm sure you've heard of, including **Wal-Mart**, **Canadian Tire**, and Shoppers Drug Mart. Needless to say, these types of retail tenants have a lot more "rent money" than the nice folks answering an ad on Craigslist.

But there's another reason why investors do so well. Thanks to a special loophole, the trust pays NO corporate income taxes. However, in exchange for this benefit, RioCan is required by law to pass on almost all of its monthly profits to partners. That's why this trust is able to pay out an annual yield topping 5%.

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Source: Yahoo! Finance

With a yield this high, even a small investment can translate into a decent income. For example, if you were to invest \$36,000 in RioCan today, you would immediately start collecting an extra \$170 in monthly rents. If you were to invest \$360,000 (about the cost of buying your own rental property), you can earn \$1,500 in monthly distributions.

Collect a 5% rent cheque without becoming a landlord

Best of all, as a partner with RioCan, you never have to deal with the headache of personally managing a property. And because the REIT is publicly traded, you can sell your investment at any time... a normally difficult and time-consuming process as a property owner.

However, the next round of distributions are scheduled to be mailed out in a few weeks. To be eligible, you have to become a partner by May 27. After that, you can expect to collect your first rent cheque on June 5.

CATEGORY

1. Dividend Stocks
2. Investing

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

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