



## Lazy Landlords: Collect \$500/Month From Canada's Best REITs

### Description

Many investors dream of owning a real estate empire — assets that spin off hundreds of dollars a month in steady, risk-free cash flow.

I'd like to advocate a better solution than the usual suggestion of buying a few condos in your city. Instead, the strategy should be to buy core positions in some of Canada's best real estate investment trusts (REITs). These securities offer instant diversification, world-class management teams, and true passive income. All you need to do is watch the income trickle into your account.

The best part? These investments offer comparable yields versus doing all the work yourself and capital gains potential as the value of the property goes up. In other words, you get all of the benefits and none of the drawbacks of physically owning properties.

Let's get started. Here's are two great REITs you can buy today to start making your passive-income empire a reality.

### SmartCentres

**SmartCentres REIT** ([TSX:SRU.UN](#)) owns fantastic assets, is run by arguably the best REIT management team out there, and has ambitious growth plans. Can it get much better than that?

The bedrock of the company is its retail portfolio. It has become **Walmart's** landlord of choice in Canada, with approximately 70% of its properties either anchored or shadow anchored by the world's largest retailer. This relationship then attracts other retailers that like how busy Walmart is.

Smart's next step is a two-part expansion project. Like many other Canadian retail REITs, [it has ambitious plans](#) to redevelop older retail space into something that is combined with office or residential property. The company has also entered a series of joint ventures that will see it expand into areas like self-storage and seniors living.

Some investors might be attracted to REITs with higher yields, but SmartCentres still offers a nice

5.6% distribution. It can also boast nice dividend growth; the company has increased its payout each year since 2013.

## Northview Apartment

**Northview Apartment REIT** (TSX:NVU.UN) isn't like its peers. It focuses on owning apartments in secondary markets versus Canada's largest cities. It has a large concentration of suites in places like the Atlantic provinces and northern regions.

These apartments have a couple of advantages compared to other markets. They come with higher returns on investment because there are fewer investors looking to buy in these places. And it's more difficult for developers to build in these remote locations.

One of the nice things about owning apartment blocks is, there's limitless expansion potential. The company has grown to more than 27,000 suites across eight provinces and two territories. It spent some \$400 million acquiring new properties over the last couple years, and the company plans to shell out \$100 million developing properties in 2019.

Northview offers an attractive 6.2% yield, which is a big premium versus its peers. Those stocks all have yields in the 3-4% range.

## Collect \$500 per month

It'll take a decent amount of capital to turn these two great REITs into \$500 per month in passive income, but it's doable.

You'd need to buy 1,667 shares of SmartCentres REIT and 1,839 Northview Apartment REIT shares to earn \$500 per month in distributions from the two companies — an investment worth just over \$96,000.

That might seem ambitious to some of you, but even a smaller investment can make a big difference. Buying 100 shares of each will cost less than \$6,000 today, and the investment will spin off \$28.60 each month in passive income, or \$343.20 annually. That's enough for a dinner out for two each and every month.

The bottom line? If you start buying great REITs today, you'll build up an empire in no time. The important thing is to get started.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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