



Turn Your TFSA Into a River of Tax-Free Income With This 9% Yielder

Description

Do you want to up your TFSA income with a high-yield stock that has an impeccable payment history?

If so, it pays to look at REITs. Sporting some of the highest yields on the TSX, they're great for an income-oriented portfolio. Not all REITs necessarily pay enormous dividends. Those that do, however, are among the highest yielders on the TSX. To maximize your return, you'll want a REIT that has high income AND consistent payouts.

In this article, I'll be exploring a REIT fits that exact description. One that yields approximately 9%, without the spotty payout history that many high yielders suffer from. Over the past two months, its shares have risen 15%, while Canadian real estate tanked in the same period. And with a portfolio includes office, retail and industrial real estate, it's well diversified.

Let's take at it now.

BTB REIT ([TSX:BTB.UN](https://www.btbreit.com/))

BTB REIT is a company that invests in [commercial, office and industrial](#) real estate. With a stock price of \$4.64 and an [annualized dividend of \\$0.42](#), it yields about 9.05% — more than double the average yield of a dividend-paying TSX stock. But that's not the only thing that this REIT has going for it.

Company operations

A major factor that BTB has in its favour is its operations. With a focus on commercial real estate, the company is not too exposed to the tanking housing market. In the past year, the company acquired four major properties in Quebec—all of them commercial. The largest of these transactions was valued at \$42 million, while the other two were valued at about \$25 million each. With several of the locations in prime downtown areas, they should generate consistent rental income for the company—whose revenues are already growing at 19% year over year.

Payout history

Ultra-high-yield stocks often come with concerns about the sustainability of the payouts. High yields can indicate problems like high payout ratios or a lack of investor confidence in a stock. Because of this, stocks with extremely high yields have a somewhat above-average chance of having their dividends reduced or cut.

This does not appear to be a serious risk for BTB, however. In Q3, the REIT had a 78% payout ratio, which is not especially high. In the same quarter, the company had about \$13 million in net income, up 33% from the same quarter a year before. Combined, these two factors would seem to indicate that BTB can not only keep paying, but actually raise its distribution. And pay it has, with a 12-year uninterrupted history of paying its distribution each and every month.

Bottom line

Investing in high yield stocks can be a risky business. Despite the attractiveness of big dividends, many stocks — whose low prices make such yields possible — are cheap for a reason. BTB is one exception to the rule. With solid growth, sound operations and a reasonable payout ratio, it yields 9% with no huge risk factors in sight. If you want big income in your TFSA, this is one to consider.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BTB.UN (BTB Real Estate Investment Trust)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/07/21

Date Created

2019/02/26

Author

andrewbutton

default watermark