



Give Yourself a \$500/Month Raise With These 3 Great REITs

Description

Who couldn't use more money every month?

The easiest and most consistent way to give yourself a juicy raise is to save aggressively and invest your spare capital into some of Canada's best real estate investment trusts (REITs) — securities that spin off gobs of predictable income each and every month. As you save more, your income goes up. If only raises were that consistent from work!

For many people, saving is the easy part. It comes natural to them. The difficult part is finding a place to put that excess cash to work. Fortunately, I can help. Here are three top REITs and how they can help you generate \$500 per month of juicy passive income.

Crombie

Crombie REIT ([TSX:CRR.UN](https://www.crombie-reit.com)) is one of Canada's top retail REITs, boasting 288 grocery store-anchored properties totaling 18.9 million square feet of gross leasable space. Some 50% of total rents come from one of **Empire Company's** multiple grocery chains, and the retail giant owns approximately 40% of Crombie shares.

Crombie is doing a nice job of expanding. The company is in the beginning of an ambitious redevelopment plan, converting standalone stores in urban locations to mixed-use facilities, usually with retail space on the bottom and residential apartments or condos above. By the time this development program is completed, Crombie should increase its gross leasable space by some 50% and net asset value by approximately 75%.

While investors wait for this transformation to be completed, they can sit back, relax, and collect a \$0.07417 per share monthly dividend, good enough for a 6.2% yield.

Dream Industrial

Dream Industrial REIT ([TSX:DIR.UN](#)) has grown to become a major player in the industrial space in Canada and recently expanded into the United States. The portfolio includes 223 light industrial properties consisting of some 20 million square feet of gross leasable area.

There are a number of compelling reasons to invest in Dream Industrial today. The company continues to expand while decreasing leverage, thanks to a smart capital-recycling program. Occupancy is strong, especially in Ontario, Quebec, and the recently acquired U.S. portion of the portfolio. Overall occupancy sits at 97%. And it's easy to see how growth in online sales and from the [marijuana industry](#) could further add to the company's success.

Dream Industrial offers investors a 6.1% dividend yield — a payout easily covered by funds from operations.

True North Commercial

True North Commercial REIT ([TSX:TNT.UN](#)) isn't a company that gets a lot of coverage for a couple reasons. With a market cap of under \$400 million, it's too small for a lot of investors to consider. And the company's debt-to-book value ratio of over 56% is a little high. Investors like to see that metric closer to 50%.

Still, there's a lot to like here. The company's 46 property portfolio focuses on high-quality tenants, including various levels of government and investment-grade corporate clients. Approximately 80% of rents come from these two sources. This leads to strong occupancy, which currently stands at 97%. And the company is growing like a weed; adjusted funds from operations has skyrocketed 35% higher annually from 2014 to 2018.

True North also pays one of the best dividends out there: \$0.05 per share on a monthly basis. That works out to an 8.9% yield today.

Collect \$500/month

If you wanted to generate \$500 each month from these three great REITs, you'd need to invest the following:

- 2,240 Crombie REIT shares for a total investment of \$32,278
- 2,862 Dream Industrial REIT shares for a total investment of \$32,855
- 3,320 True North Commercial REIT shares for a total investment of \$22,144

Together, these add up to a \$500 per month passive-income stream with a total investment of just over \$87,000.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:CRR.UN (Crombie Real Estate Investment Trust)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

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