



## Earn Passive Income of \$500/Month With These 2 REITs

### Description

Dividend stocks are a great way to add recurring income to your portfolio. REITs are especially attractive, as many offer monthly dividend payments as well that can give you a more consistent stream of income. Given that their income is coming from recurring rent payments, they can also give investors a lot of stability, which makes them particularly attractive.

Not only can you benefit from strong dividend payments, but their stock prices are likely to rise as well. Real estate is a good long-term investment and REITs will certainly capitalize on that. Below are a couple of REITs that could be great options for your portfolio today.

**True North Commercial REIT** ([TSX:TNT.UN](#)) is a great option for investors looking for a REIT that's not too risky. With nearly 80% of its tenants being either government or credit rated, True North has mitigated a lot of its risk, which has allowed the company to steadily grow its top and bottom lines.

In the past year, the stock has not had much luck in attracting investors, as the share price has been down around 1%. However, with True North trading right around its book value and a most price-to-earnings ratio of under eight, it's a good value buy with plenty of room to rise from where it is today.

Although this isn't a stock that you should expect a [dividend increase](#) from anytime soon, with a yield of 9% per year, it's hard to ask for much more. The company has been consistently paying shareholders 4.95 cents every month, and while there's no guarantee or that it will continue, it could potentially give investors a lot of recurring monthly income.

**Cominar REIT** (TSX:CUF.UN) is another way for investors to tap into a [high-yielding](#) REIT. Although Cominar offers a smaller yield of 6.2%, it too can provide investors with a lot of recurring cash flow. Monthly dividend payments of six cents per share are after the company cut its payouts to improve its financials.

While that might sound concerning, the good news is that a stronger balance sheet and fewer expenditures puts Cominar in a much better situation to improve its stock. Trading well below book value at writing, Cominar's stock has fallen more than 7% in the past 12 months and could be due for a recovery.

With a good, balanced mix of office, retail and industrial properties in its portfolio, there are many ways for the company to grow and improve its top line, and an occupancy rate of 93.8% will help ensure a great deal of consistency in its revenues as well.

## Getting to \$500 in monthly dividends

Investing \$50,000 in True North would produce about \$375 a month in dividends. As Cominar is a bit riskier (although it has potentially higher upside due to its declining share price), I would envision a much smaller investment of \$25,000 there, which would produce another \$130 in monthly dividends. Combined, the two REITs could produce \$505 a month in dividends with a total of \$75,000 invested between the stocks.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

### PARTNER-FEEDS

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### Date

2025/08/26

### Date Created

2019/05/16

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