



## How to Become a Landlord Without Buying Property

### Description

Buying residential investment properties is a great strategy to build wealth in preparation for the retirement years. The rental payments you will receive will be your supplemental income in the present. It becomes the regular income when you reach the retirement stage.

The best thing about buying real estate properties for business purposes and not home ownership is the value appreciation and income generation potential. The acquired asset will deliver both. However, becoming a landlord requires a big amount of capital. Only those who have huge excess funds can afford it.

However, you can still fulfill your desire to be a landlord without actually buying a real estate property. You can invest in REIT stocks and have a portfolio of real estate assets.

**Plaza Retail REIT** ([TSX:PLZ.UN](#)) and **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) are two of the popular [Canadian REITs](#) available on the TSX. These REITs are traded just like the shares of publicly traded companies. Investors are afforded the opportunity to invest in a range of property sectors. Both companies operate or fund income-generating real estate properties.

### Retail and malls real estate

Plaza Retail is an open-ended REIT and a leading retail property owner and developer. Their real estate portfolio is comprised of enclosed shopping centres, a mixture of strip plazas, and standalone small-box retail outlets.

As of the quarter ending March 31, 2019, Plaza Retail has 278 properties under its fold with 27 more coming up. The properties cover a total of 8.2 million square feet plus 1.3 million square feet to be added soon. About 58.6% of the properties are situated in Ontario and Quebec. The others are in Atlantic Canada.

For a \$4.14 investment, investors will enjoy a 6.5% dividend yield which is a profitable return. Plaza Retail has a distinguished record of dividend distribution. And this streak will certainly continue for

decades to come.

## Healthcare real estate

NorthWest Healthcare Properties is known as Canada's [healthcare landlord](#). Prospective investors will gain access to a portfolio of high-quality healthcare real estate properties. The portfolio consists of hospitals, clinics, and medical office buildings. All of them are income-producing properties.

The total gross leasable area of the properties operated by this \$1.63 billion open-ended REIT is 10.1 million square feet. Apart from Canada, NorthWest Healthcare has properties and is operating in Australia, Brazil, Germany, and New Zealand. Occupancies are stable because the leases are long term.

The stock is currently trading at \$12.06, which is an affordable entry point for would-be investors. What makes it really attractive is the current dividend yield of almost 7%. The average dividend yield in the last five years is about 8%.

## Straightforward business model

The business models of Plaza Retail and NorthWest Healthcare are easy to understand. They collect rent from leased spaces just like you would if you own real estate investment properties. Also, 90% of their taxable income is paid to shareholders as dividends. Both are generous to investors.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
2. TSX:PLZ.UN (Plaza Retail REIT)

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