



Lazy Landlords: Collect \$348 a Month in Passive Income From This Forever Asset

Description

I'm convinced that real estate is one of the best assets an investor can own over the long term.

There are few other asset classes that combine real estate's ease of understanding, the ability to use leverage to turn a relatively small down payment into something much bigger, and its steady performance during downturns. Together, these factors make a compelling reason to invest.

There are a few problems with some types of real estate investing, however. Some investors are nervous about retail space, convinced that the physical store will slowly lose relevance in an online world. Office space could be threatened by high rents in downtown cores and employees working remotely.

Residential real estate appears to be safe, but the trend pushing everyone out of the suburbs and into densely packed apartments in cities could reverse itself.

This leaves us with industrial real estate, which I believe is poised to hold up pretty well. It could even be a growth market going forward. Here's why that's very good news for **Dream Industrial REIT** ([TSX:DIR.UN](#)).

The skinny

Dream Industrial REIT has quietly become one of Canada's largest owners of light industrial space, accumulating a portfolio of 245 properties spanning more than 25 million square feet of gross leasable area. The net value of these properties is approximately \$1.6 billion and the portfolio has an excellent occupancy rate of 96.5%.

The company has also made some big acquisitions in the United States, getting to the point where 30% of net operating income comes from the nation. It also has a strong position in Western Canada — primarily Calgary— and Toronto. Investors should note that while the Alberta economy is suffering,

Dream's portfolio in the province is holding up well.

Growth opportunities

E-commerce is increasingly becoming a factor. And it's just getting started, with only 11% of all retail sales happening online. That number is expected to rise to 14% by 2021.

In other words, this already significant market has the potential to get a whole lot bigger.

Dream Industrial REIT is poised to profit from this trend. Online shoppers crave short shipping times. They want their item delivered to their door 24-48 hours after they click that buy button. In order to do this, online retailers need to invest in more warehouse space, setting up a regional network that can easily service large cities and the towns that surround them with fast shipping times.

Building a network of warehouses is a whole lot cheaper when you can just rent the space from a company like Dream.

There's another growth avenue the company could explore, [taking advantage of Canada's marijuana boom](#). It could acquire property to lease back to pot growers, a market that will only grow with time.

Collect some serious passive income

Like any REIT, Dream pays most of its income back to unit holders in the form of generous dividends. The stock currently yields 6%.

This means that you don't need to invest a huge amount of cash to collect an impressive stream of passive income.

Say you buy 6,000 Dream Industrial REIT shares today, an investment that would set you back approximately \$70,000. This would translate into a dependable income stream of \$348 each and every month, or \$4,176 every year.

Think about what an extra \$4,176 could buy you each year. It would likely pay for your property taxes or a nice vacation abroad. It would be enough to take care of more than one utility bill. The possibilities are endless.

Or you could reinvest your dividends into additional units, which [would increase the compounding process](#).

The bottom line

Industrial real estate is an attractive sector to be in today, and I sure like Dream's exposure to property on both sides of the border. It also pays one of the best dividends out there, which can help make all of your passive income dreams come true.

Don't pass up this opportunity to start growing your passive income empire. Your future self will thank you.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)

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