



## 1 Reliable REIT That Will Bring in \$3,600 of Passive Annual Income

### Description

The stock market can be an incredibly exciting place. You watch as your shares go up and up, and after a few weeks or months or even years, sell for that profit you've been waiting for.

But honestly, it's a lot of work. And that work is really hard to keep up with.

What if you're a lazy investor, like most of us generally are? Well, there are definitely some great options for you, too. And they start with a Tax-Free Savings Account (TFSA).

The TFSA is the perfect place to stash cash for the long haul. When you find that sweet stock that you want to buy and hold for decades, you can rest easy knowing that while you're making money off those purchased shares, the government isn't able to touch a single dime of it.

When it comes to what stocks are the best option for us lazy investors, it doesn't get much better than real estate investment trusts. REITs offer investors entrance to well-managed companies that offer shareholders strong, stable, reliable dividends. Ideally, investors should look for stocks that offer a 5.5% dividend yield or higher. Beyond that, the more boring their history, the better. Boring means stable, and stable is good.

When it comes to the most [boring, stable, reliable REIT](#) out there, I'd go with **Crombie Real Estate Investment Trust** ([TSX:CRR.UN](#)). The owner of 288 properties across Canada, the company boasts a 96% occupancy rate, with annual returns around 10.2%.

Now, just because the company is boring doesn't mean it isn't evolving. In fact, Crombie is in the midst of a redevelopment plan, as consumers move towards online platforms, who usually would go to the grocery stores owned by Crombie. The REIT will continue having the grocery stores on the bottom, but it's building residential apartments or condominiums above in urban areas. This should increase net asset value by about 75% and gross leasable space by 50%. Crombie is putting aside \$511 million for this initiative, which it expects to complete over the next two-and-a-half years.

This new plan would mean two things for investors: an increase in share price and an increase in dividend yield. Not that the dividend yield is anything to ignore at this point, and granted, it's likely the

reason you're reading this piece in the first place. Crombie offers a strong dividend of 6.22% at the time of writing.

Shares have already begun to increase, with the company trading at around \$15.20 at the time of writing — a price it hasn't seen since back in 2016. In fact, since the December drop in the markets, the company has completely rebounded, climbing [more than 20%](#) to date. Analysts expect the stock to continue to grow to around \$17 per share in the next 12 months.

## Foolish takeaway

If you're a lazy investor looking for a reliable stock that has a future of growth and passive income, Crombie is the stock for you. To make \$3,600 per year, investors would need to buy \$61,523 worth of shares at this point. That, to me, is a perfect opportunity for a TFSA with contribution room of \$63,500. That means shareholders will be looking at \$3,600 of extra cash in their pockets in a years' time, and potential profit of \$7,252 for a total of \$10,842 in just 12 months.

Not bad for a lazy investor.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:CRR.UN (Crombie Real Estate Investment Trust)

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