
2 High-Yield REITs to Buy and Hold Forever

### Description

If you're a relatively new investor, you may not be aware of the beautiful world of passive income. The name is exactly what it suggests. While doing absolutely anything (beyond purchasing shares of a company), you will receive income that goes right back into your investment portfolio.



If your portfolio is a Tax-Free Savings Account (TFSA), that money is completely yours to keep. And if you're looking for the perfect type of passive-income stock, it doesn't get much better than real estate investment trusts (REITs).

REITs are required to pay out 90% of their taxable income to shareholders every year, which they do through dividends. That means these REITs usually have some pretty high dividend yields.

But you also likely want some strong share growth to go along with that income. If that's the case (and of course it is), then I'd recommend **CT REIT** (TSX:CRT.UN) and **Dream Global REIT** (TSX:DRG.UN) as two long-term investments that will give you share growth and passive income.

## Canadian Tire

You didn't know **Canadian Tire** has an REIT? You're not alone. CT REIT stock has remained pretty under the radar, despite a history of solid gains and a dividend yield of 5.5%. The company, of course, collects rent from its Canadian Tire stores; however, it's also in the midst of growing its property portfolio.

By using its adjusted funds from operations (AFFO), the company is currently buying properties that are near its Canadian Tire stores. That way, it's able to hike up the rents, as being near a Canadian Tire is a sought-after feature of potential tenants. That will continue to contribute to the company's AFFO growth over the long term. It's pretty great having a Canadian icon in your corner.

That increased AFFO will mean investors can continue to see a dividend increase, which it's done every year since its initial public offering in 2013, never missing a payout. If an investor were to usehalf of their TFSA contribution room for this REIT today, they'd see annual passive income of $1,664.

## Dream Global

Another below-the-radar REIT is Dream Global, perhaps because it's — as the name suggests — global. The REIT has mainly office properties that span to Belgium, the Netherlands, Germany, and Austria, where its occupancy rates are at 91.7%.

The company also has a strong history of growth in share price and dividend yield due to a strong balance sheet. Most recently, its first quarter posted results of 4% growth in net rental income, and funds from operations increased 8%. This came from higher occupancy rates, rental rates, and the completion of value-adding projects. Yet, as of writing, the stock is trading about 20% below its net asset value price of $16.36 per share.

That means investors have the opportunity to buy this strong REIT on the cheap and take advantage of a solid 5.92% dividend. Again, if you invest half of your contribution room, that would bring in $1,860 every year.



## Foolish takeaway

If you're looking to lock in solid passive income that will last you decades, CT and Dream Global REITs are the place to go. Using your contribution room for your TFSA would bring in a total of $3,524 as of writing — money that can be reinvested and contribute to further gains that you can use for that lovely nest egg you're building.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

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**Date**
2025/08/22
**Date Created**
2019/06/16
**Author**
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