



Diversify and Add \$500 a Month in Dividends With This REIT

Description

Passive income is a great way to add to your portfolio since as the term suggests, it doesn't require any effort to earn. Dividend stocks are an example of that as investors get a regular payout just for holding onto an investment. Thus, whether you're looking to pad your overall returns or just need some extra cash to pay bills, a dividend stock can be a great way to accomplish that.

REITs are especially attractive options, as they normally make monthly dividend payments. One stock that looks like a good buy today is **Dream Global REIT** (TSX:DRG.UN), which has a broad portfolio of assets in Europe. It can offer investors a very easy way to add another dimension of [diversification](#) to their portfolio. Most stocks that trade on the **TSX** have operations in North America, and that's where Dream Global is a bit of an exception.

With fears of a looming recession and a need to help minimize overall exposure, Dream Global offers investors a way to do just that. And with a growing presence in Europe, the stock will only become more diversified over time.

Dividends, growth and value all rolled into one stock

Although Dream Global's stock has been a bit lacklustre over the past year, its dividend still looks very strong. With payments of 6.67 cents made every month, investors will be earning more than 5.8% per year, which is not a bad payout for a dividend stock that can provide investors with good financials, lots of opportunities for growth, and that's also a good value buy today.

Trading below its book value and at a price-to-earnings ratio of less than four at writing, Dream Global is definitely a cheap buy for what it offers. The company has been very consistent in its results, and as it adds more properties its numbers will only get stronger.

Consistency is something you want to hear when talking about a dividend stock, as it's a good sign that the company will be able to continue its current rate of dividends and won't go on wild swings. It's something that's very important if you're relying on dividend payments to continue. While there are never any guarantees when it comes to dividends, investors can hedge their bets by looking at

companies that are stable and safe buys.

However, one of the prices you have to pay for that stability is often a lower dividend. [High-yielding stocks](#) can sometimes be riskier and are definitely not as secure. While Dream Global pays an above average dividend, you'll still need a nest egg of a little more than \$100,000 if you want to be able to generate close to \$500 per month.

With the diversification you'll get plus the opportunity for future growth, the stock could produce not only dividends, but give you the opportunity to earn capital appreciation as well. It's a great mix of everything for investors who don't want to settle just for a dividend stock that might otherwise not have much upside.

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