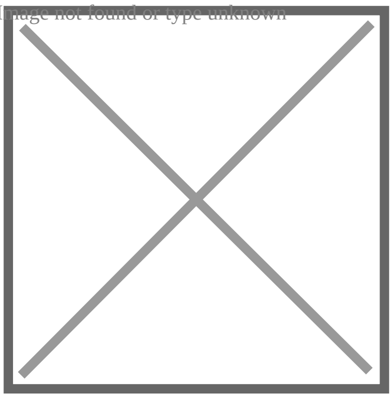

TFSA Users: Stash $300/month Easily With This Lesser-Known REIT

Description

If your goal is to stash $300 monthly, your best option is a high-dividend, low-risk real estate investment trust (REIT). The stock that could enable you to tuck away that amount is **H&R** (TSX:HR.UN). Besides the monthly income, your investment is safe and secure.

Third-largest REIT

H&R is Canada’s third-largest REIT by market capitalization. This $6.4 billion fully internalized REIT has a portfolio of high-quality office, retail, industrial and residential properties in North America.

Consider this scenario. If you invest in H&R, you’ll be an absentee landlord in real estate properties located across Canada and the U.S. In the Greater Toronto Area alone, H&R has 47 properties.

The REIT has an ownership interest in 136 properties spanning the Western and Eastern provinces plus other properties in Ontario.

In the U.S., H&R operates 58 real estate properties that can be found in the Northeast and Midwest states as well as in the Southern and Western states. The combined worth of all these assets as of June 30, 2019 is $14.4 billion.

H&R’s expansion in the U.S. is on a continuing basis, in particular its residential portfolio. The latest residential rental unit development is a high-end property located in Long Island City, New York. H&R expects the 75% occupancy rate after project completion to rise in the coming months.

There are more major U.S. developments in H&R’s pipeline. The properties are in the prime counties of Austin, Dallas, Long Beach, Miami, and Seattle. Prospective tenants are not scarce in these targeted metropolitan areas. Expect H&R’s tenancy to rise by the second quarter of 2020.

H&R's strong earning potential is not limited in the residential market. The rental rates in both the retail and industrial markets are rising. With brisk business in all three market segments, the REIT's future growth is almost certain.

Why H&R is a good investment

H&R is the better investment option than buying a residential investment property. With this REIT stock, you can generate supplementary income minus the cost for the upkeep and maintenance of the property. You don't have the problem of looking for tenants to ensure there is no vacancy.

More important, there is no pressure to recover your investment. There are also tax implications when buying and owning a residential investment property. You can avoid the headaches and related expenses by simply staying invested in H&R.

Passive income

Let's go back to the proposition of stashing $300 monthly. If H&R yields 6.13% today, you need to own $60,000 worth of the REIT stock to receive $300 monthly. The amount of investment necessary is stiff. You can make it affordable, however.

You can earmark $5,000 monthly to purchase H&R shares. Hold it in your TFSA and in 12 months, your balance would be sufficient to generate your desired monthly income from out of the dividends assuming you won't withdraw any amount within the period.

But apart from the satisfying dividend and the potential to earn $300 monthly, H&R is a low-risk investment as well as a defensive stock — that's double protection against inflation or recession.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:HR.UN (H&R Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
2. Msn
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Category

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