Retirement Investors: Buy These REITs for Long-Term Passive Income

Description

The good news for retirement investors is that investing in real estate doesn't have to be messy. By adding a real estate investment trust (REIT) or two to your stock portfolio, you can grow your wealth as a *de facto* landlord indirectly over the years.

This can help retirement investors to minimize some of the inherent risks involved with real estate and lowering the responsibility you would face as an actual brick-and-mortar landlord, all while creaming some attractive passive income. Let's review three of the top REITs trading on the TSX.

Apartment REITs are classically defensive

REITs like **Brookfield Property Partners** (TSX:BPY.UN)(NASDAQ:BPY) have seen positive moves lately, as investors seek out defensive assets, plus it pays a 6.77% yield. Brookfield Property Partners is an especially strong play given its geographical diversification, with a property portfolio that extends beyond North America to Europe, Australia, and Brazil. Its asset types are varied as well, giving investors access to everything from multifamily and retail units to corporate sites and industrial buildings.

If multi-unit residential properties and townhouses fit your real estate investment goals, **Canadian Apartment Properties** (TSX:CAR.UN) is the REIT to go for. A solid dividend payer with a proven track record, Canadian Apartment Properties owns apartment and manufactured home community assets in major urban hubs in Canada and the Netherlands and is one of the foremost REITs on the TSX for defensive real estate investment.

Paying a satisfying 6.16% dividend yield, **H&R** (TSX:HR.UN) is the REIT you may not have heard of but definitely need to consider for long-term real estate exposure. Mostly consisting of office space in Ontario and Alberta as well as over the border in the U.S., an investment in H&R also brings exposure to shopping centre and retail real estate. Throw in a reasonable amount of growth and decent fundamentals and you have one of the best REITs on the TSX.

Why are REIT a good fit for RRSP investors?

Retirement investors need solid, long-term, dividend-paying assets that will keep on adding income to a Registered Retirement Savings Plan (RRSP) without too much maintenance. REITs are a particularly good fit for these kinds of retirement savings vehicles as pre-taxed passive wealth can be grown tax-free until retirement, when it can then be withdrawn or converted into a Registered Retirement Income Fund.

If good value for money matched with stable dividend payments suits your investment style, Canadian Apartment Properties pays a 2.59% dividend yield and is one of the best all-round REITs based on market fundamentals and performance. Additionally, its focus on residential rather than commercial properties might give it an edge in coming years if the market continues to favour defensive assets over industrial ones.

The bottom line

Apartment REITs are famously defensive and make a solid addition to a stock portfolio built around stable passive income. Canadian Apartment Properties in particular is a good mix of value and defensiveness, while Brookfield Property Partners pays a superior yield and offers good geographical diversification, making for a suitable addition to an RRSP.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. TSX:BPY.UN (Brookfield Property Partners)
2. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
3. TSX:HR.UN (H&R Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

Date

2025/08/24
Date Created
2019/09/18
Author
vhetherington