Lazy Investors: Start a Real Estate Passive Income Empire

Description

Investing can be exhausting. Watching the markets day after day, deciding when you should buy and when you should sell your investments, hoping against hope that you've chosen the right stock that will bring in cash for the long term.

But investing doesn't have to be hard. In fact, it can be easy for even the laziest investor. After all, that's what you want! An investment portfolio that requires little-to-no effort on your part that you can sit back and watch grow for years, even decades.

With that in mind, the real estate market is a perfect area for the lazy investor. The main attraction to real estate investment trusts (REIT) is the whopper dividend yields many of them offer.

Now, before I get too far, higher dividend yields don't necessarily mean a better stock. In fact, you should always look at the company's history of dividend increases before making your decision. What you want is a strong company that will bring in dividends that will end up as cash in your pocket or to reinvest for years to come.

If you'd consider opting for the lazy investor's paradise, here are some options to put on your watchlist.

Canadian Apartment Properties

Canadian Apartment Properties REIT (TSX:CAR.UN) is the perfect defensive stock for those looking for a long-term investment. CAPREIT has seen steady growth for decades now, pushing through housing crises like they were nothing. The company has a solid foundation of multi-unit buildings, apartments, manufactured home communities, and townhouses near major Canadian cities.

As these large cities continue to expand their rental unit properties, CAPREIT should continue to see its revenue grow. In the past five years, annual growth in income has come in at 33.1%. While a dividend of 2.51% might not seem like a lot, that dividend has increased at a steady 4% each year over the last five years. In the case of CAPREIT, slow and steady certainly wins the race.

Summit

After a major drop back in 2012, **Summit Industrial Income REIT** (TSX:SMU.UN) has been on a very slow incline for the last few years. That growth could soar very soon as the company is growing through acquisitions at an amazing rate, with $1 billion in property purchases in 2017 to 2018.

Even through these acquisitions Summit has managed to keep a strong balance sheet, providing the ability to continue making further acquisitions. Given that the e-commerce industry will need companies that provide industrial space moving forward, Summit is looking like a good bet at the moment. After the 2012 fall, the company's dividend also fell, but is now back on track offering investors a 4.41% dividend yield at time of writing.

WPT Industrial

Another fantastic option for those looking to get in on emerging markets is **WPT Industrial REIT** (TSX:WIR.U). This company doesn't have the historical performance of either CAPREIT or Summit, but it does have an incredibly promising future. WPT has also been growing through acquisitions, with currently 70 light industrial properties scattered across the U.S. The company has used these properties to help e-commerce companies ship and store products, and it looks to only be in the beginning phase.

Like Summit, and given its new status, WPT has had slow dividend growth in the last few years. But as the e-commerce industry continues to pick up the pace, WPT should bring up its dividend yield. At 5.61% as of writing, it's already nothing to sneeze at, given the stock's cheap share price around $14 per share.

Bottom line

If you were to invest a third of your TFSA contribution room in each of these stocks, that would bring in a total of $2,544.04 in annual passive income.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSX:SMU.UN (Summit Industrial Income REIT)

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