



## 2 Under-the-Radar REITs for You to Earn \$400/Month in Passive Income

### Description

The real estate market is an asset class that investors love in terms of buying and holding. Real estate value increases over time, giving investors substantial profits if they ever wish to sell their properties. While I agree that investment properties can generate a considerable profit for investors over time, I also feel that there are better options to consider.

If you are already an owner of a real estate property, you will understand how meticulous an investment it is. I encourage a lot of real estate investors to get rid of their investment properties as soon as they can and go for real estate investment trusts (REITs) instead. There are a lot of potential problems with owning physical real estate that you can face.

Even if you are lucky enough to get good renters, owning real estate takes a lot of work. There is a myriad of added responsibilities you need to take on as a landlord. There is always the option of hiring someone to take care of the trivial aspects of owning investment properties, but that means giving a share of your profits to someone else.

REITs are a much better way for would-be landlords to capitalize on the attractive real estate market. Buying shares of these companies can offer you the opportunity to earn a substantial passive monthly income. I am going to discuss **Granite Real Estate** ([TSX:GRT.UN](https://www.scribd.com/document/444444444/TSX-GRT-UN)) and **Killam Apartment REIT** ([TSX:KMP.UN](https://www.scribd.com/document/444444444/TSX-KMP-UN)) and how you can make \$400/month off these two REITs.

### Granite Real Estate Investment Trust

Granite Real Estate is one of the lesser-known REITs in Canada but a solid option to consider for earning passive monthly income. Granite is a company valued at almost \$3.2 billion. The company has 85 different investment properties and a robust global presence. The REIT's assets consist primarily of industrial and logistical properties.

With over 33 million square feet of properties across nine different countries in Europe and North America, it might seem surprising that Granite is a lesser-known company. The company is continuously looking at further growth opportunities. With a 4.40% dividend yield, the company is an

attractive option to consider for earning passive monthly income.

Granite has annually raised its payout each year since 2012. With dividend payouts at \$2.80 with the 4.40% dividend yield, I think Granite is a [solid REIT](#) to consider.

## Killam

Killam is a growth-centric REIT that owns, operates, and develops residential apartments as well as manufactured home communities in the domestic market. Killam is one of the least-known REITs. Still, the company is possibly an excellent way to bolster your monthly passive income.

Killam has a portfolio that consists mostly of residential projects in Alberta, Ontario, and Atlantic Canada. The company has plans to grow larger over time, expand the portfolio, diversify assets geographically, and increase earnings on existing properties. Killam is also aiming to continue the development of high-quality real estate assets in essential markets.

The company is doing well in terms of achieving [growth goals](#) by making strategic acquisitions in key markets, developing assets through profits, and investing in renovations and upgrades. These moves by Killam allow the company to capture higher rent from properties, which consist of a total of 37 MHCs and almost 200 apartment buildings.

With a dividend yield at roughly 3.3% right now, Killam regularly increases the dividend payouts, and the payout ratio is at just 84%. The occupancy rates are over 97% in residential apartments, and the company captured a 5.7% increase in the average rental rates. Killam presents a very good opportunity to increase your passive monthly income.

## How to make \$400/month

The share prices for Granite and Killam are \$63.62 and \$19.74, respectively. Based on the dividend yields from the stocks of both REITs, Granite gives investors a dividend payout of \$2.80, and Killam offers investors a dividend payout of \$0.66 annually.

- If you invest \$54,225.6 in Granite today, you will obtain 858 shares. The monthly amount from the dividends you get from these 858 shares will be \$200.20.
- If you invest \$71,774.64 in shares of Killam Properties today, you will get 3,636 shares. The monthly amount from the dividends you get from these 3636 shares will be around \$200.

With a total investment of \$126,000, you can generate a potential \$400/month from these two dividend-paying and lesser-known REITs.

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1. Dividend Stocks
2. Investing
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1. Editor's Choice

## **TICKERS GLOBAL**

1. TSX:GRT.UN (Granite Real Estate Investment Trust)
2. TSX:KMP.UN (Killam Apartment REIT)

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