Lazy Landlords: These 2 REITS Are Passive Income Machines

Description

As the situation in the Canadian real estate market begins to improve, investors are starting to increase their allocation to real estate investment trusts. Investing in REITs allows you to instantly take advantage of the real estate industry to practically become a landlord without any of the responsibilities that come with it.

REITs are getting increasing attention lately because it's an investment class that provides shareholders growing income and beats inflation. If you're interested in REITs, I'm going to discuss **H&R Real Estate Investment Trust** (TSX:HR.UN) and **SmartCentres Real Estate Investment Trust** (TSX:SRU.UN).

Both of these stocks offer high dividend yields, so you can instantly become an income investor.

SmartCentres REIT

SmartCentres is one of the Canadian REITs that has built a strong reputation for itself over the years due to its consistency. The $5.37 billion company is focused on retail development and operation and is the largest operator and developer of shopping centres in the country.

The company owns and operates 157 properties across Canada with an average occupancy rate of 98%. The average age of the company's occupancies stands at a remarkable 15 years. The company's primary assets are grocery or pharmacy stores, shopping centres, and destination outlets throughout Canada.

SmartCentres is a bright prospect for investors to consider due to its long-term leases with a premium quality tenant-base. Some of the company's major clients include Canadian Tire, Loblaw, and even Walmart. The company offers a healthy dividend of 5.81% at writing, with payouts to shareholders distributed every month.

H&R REIT

There aren't many companies that can beat H&R when it comes to diversity in the Canadian real estate sector. Where other REITs have carved out niches in various areas, H&R owns a little bit of everything; that little bit of everything is a lot if you put everything into perspective.

The company holds over 41 million square feet, including the prime real estate of 10 million square feet of office space spread out through 33 properties, 317 retail properties, 10 million square feet of industrial space, and over 20 residential properties in the U.S.

The company is not just profiting from Canada's real estate industry, but is also expanding operations in the neighbouring country down south. H&R is wrapping up a major residential project in New York and owns a 33% stake in Echo Realty, a company that owns retail buildings throughout the United States.

The current dividend yield for the company is 6.19%, and it pays shareholders dividends every month.

Foolish takeaway

Between H&R and SmartCentres, you can become a wealthy investor. In the long run, you can accumulate significant wealth through capital gains from both stocks. In the short term, you can add an extra boost to your monthly income from the dividend incomes of both companies.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

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