



## 2 REIT Stocks With 8% Dividends to Supercharge Your TFSA

### Description

Real estate investment trusts (REITs) are becoming the [top income picks](#) of TFSA users today. You can grow your TFSA balance nicely from the distribution of stocks in the real estate sector. But if you want to super-charge your TFSA, you can consider **Morguard** ([TSX:MRT.UN](#)) and **True North** ([TSX:TNT.UN](#)).

Both REITs are best suited for the TFSA because of the massive dividends. Likewise, the two stocks are the perfect solutions if you're nearing retirement and still need more for the nest egg. You can also supplement your CPP and OAS with the distributions from the REITs.

### Moneymaker

Tell me if the 8.43% dividend that Morguard pays is not attractive enough. This \$691 million closed-end trust has a total of \$2.9 billion real estate assets as of September 30, 2019. Its portfolio consists of retail, office, and industrial properties that are well-located in major urban centres.

Morguard began operations on October 14, 1997, and has since been accumulating a Canadian portfolio of high-quality real estate assets. The average occupancy rate is a high of 93.3%. For the nine months ended September 30, 2019, Morguard's net operating income (NOI) is \$111.2 million — a slight drop of 0.5% from 2018.

Income-wise, Morguard can provide you a monthly payout of \$140.50 on a \$20,000 investment. In 10 years, your money would more than double to \$44,928.77 if the yield remains constant. This REIT stock, which is trading at \$11.60 per share, is a genuine money maker.

### Cash cow

True North owns and operates 46 commercial properties in urban and select strategic secondary markets across Canada. The target tenants are government and credit-rated tenants who usually sign up for long-term leases. In terms of occupancy rate, True North continues to maintain a high 96%.

The portfolio is experiencing steady growth, particularly in Ontario. In Q3 2019, True North's revenue rose by 14% to \$25.7 million, while NOI increased by 13% to \$15 million versus Q3 2018.

For less \$7.25 per share, you'll get to enjoy the juicy 8.3% dividend this stock pays. However, don't expect any price appreciation for now. Invest in True North for the monster dividends to hasten the growth of your TFSA balance.

If the Canadian economy remains stable in 2020 and inflation is kept at the present low level, True North can further grow its real estate portfolio. A low interest rate environment is also favourable since it can obtain funds from the capital markets at reasonable rates when necessary.

## Consider the risks

TFSA users hold Morguard and True North in their portfolios primarily to boost account balances. Most notably, retirees can create a steady stream of income effortlessly. Like most REITs, both must distribute at least 90% of profits as dividends to shareholders.

As an investor, you must [consider the risks](#) associated with REITs. The two significant risks are a weakness in real estate prices and a rising interest rate scenario. Nonetheless, Morguard and True North are your alternatives to buying real estate properties directly.

But there is no doubt that stock investing became more attractive ever since REIT stocks began trading at the stock market.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:MRT.UN (Morguard Real Estate Investment Trust)
2. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

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1. Business Insider
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