Forget Buying a House: These 2 REITs Could Make You Richer

Description

The trend these days shows that owning income-producing rental properties is a profitable undertaking. With home ownership declining, the pool of renters is increasing. Many investors are now directly investing in real estate to become landlords.

If you want to realize the same benefits, the next-best alternative is to invest in real estate investment trusts (REITs). You're taking the indirect approach to real estate investing.

There's no huge capital outlay compared with buying a house. Also, you won't pay realty taxes nor incur insurance expenses and maintenance costs.

RioCan (TSX:REI.UN) and **Slate Retail** (TSX:SRT.UN) among the high-quality REITs in Canada. You can be richer without owning an actual real estate property.

Top choice

RioCan is one of Canada's largest REITs with a market capitalization of $8.5 billion. This REIT owns 225 properties and focuses on Canada's largest rental markets. While most of the properties are in retail, RioCan is gradually converting many of them into mixed-use properties.

Because of its ownership in high-quality assets and several development projects, other REITs like **Boardwalk** and **Killam** have signed strategic partnerships with RioCan.

This REIT sees strong potential for rental growth in urban markets like Vancouver, Montreal, Calgary, Edmonton, Ottawa, and Toronto.

Most notable of RioCan's pipeline projects is "The Well" in downtown Toronto. The zoning approvals have been obtained. This development will add 27.4 million square feet more to its total leasable portfolio.

RioCan shares are currently trading at $26.68 at writing. With its 5.4% dividend, a $100,000 investment or only 10% of a million can produce a monthly income of $450 to a would-be investor or pseudo-landlord.

Grocery-anchored REIT

Slate Retail owns high quality and growing U.S. retail properties in the U.S., and the portfolio is growing. This $547 million is an exciting investment option for dividend investors.

The price is less than $15 per share, yet it rewards investors generously with an 8.9% dividend. Imagine generating $8,900 in annual passive income for a $100,000 investment. Similarly, a half-a-million investment will double to $1 million in 8 years tops.

Slate has found its niche in U.S. grocery-anchored real estate properties. Currently, the portfolio consists of 79 properties that offer 10.2 million square feet of leasable area. As the asset base is 100% grocery-anchored, the tenants are the pre-eminent food retailers in America.

The U.S. economy is strengthening, and against this backdrop, you can expect Slate Retail to deliver consistent revenue growth in 2020. It will likely continue to capitalize on highly-accretive acquisition opportunities to make the pipeline more robust.

Excellent operators

There is less capital requirement and headache if you invest in REITs rather than purchasing a residential investment property. Besides, a rental property should make at least one-third of the purchase price to be profitable.

RioCan and Slate Retail are excellent operators in their respective niches. You have the opportunity to gain exposure to a diverse portfolio of income-producing residential and commercial real estate assets.

With RioCan and Slate Retail, you can invest $10,000 initially and purchase more shares moving forward. Over time, you can be a rich landlord that is not an owner of actual property.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:REI.UN (RioCan Real Estate Investment Trust)
2. TSX:SGR.UN (Slate Retail REIT)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise

5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date
2025/07/02
Date Created
2019/12/23
Author
cliew