TFSA Users: $37,500 Invested in This 8.32% Dividend Stock Pays $3,120 Per Year

Description

TFSA users need not invest so much capital to be prosperous in the new year. You don't even have to own a rental property that can produce consistent cash for years. Owning shares of **BTB** (TSX:BTB.UN) is very much like owning a real estate property.

This $317 million real estate investment trust (REIT) has a wealth of experience in all facets of property management, development, lease administration, and acquisitions. Its real estate portfolio consists of office, retail, and industrial real estate properties.

With a dividend yield of 8.32%, your $37,500 can buy 5,339 BTB shares ($5.11 per share). This dividend stock can produce an annual income of $3,120. If you have a long-term financial goal, the same capital can double to $75,000 in fewer than nine years.

Perceptive landlord

BTB is one of the most successful Canadian REITs ever launched. At the onset of operations, the executive team has set its sights on primary and secondary markets. Management knows fully well that both markets present more excellent opportunities to make accretive acquisitions.

Furthermore, BTB is after a favourable risk/return investment environment. Its success in acquiring income-producing mid-market office, retail, and industrial properties is due mainly to the relationships it has established with property owners in the markets of Ontario and Quebec.

The geographic focus is the reason why BTB is experiencing growing revenue over the last four years. Its average revenue growth is 6.4%; although, in 2019, it is expected to taper off to 3.1%.

Simple growth strategy

With well-defined target markets and geographical areas, BTB generates superior returns.

Management is also pegging asset acquisitions within the range of $3 to $30 million. The assets in this price range are too large for local property buyers and too small for other REITs and institutional buyers.

By limiting acquisitions to mid-market deal size, BTB lessens the overall buyer competition. Aside from transaction size, this REIT purchases in clusters in the chosen geographic markets to make sure there are regional economies of scale.

The executive team of BTB is also selective when it comes to choosing assets and tenants. Assets for acquisition should have long-term leases and low vacancy rates. The majority of the tenants are locked in long-term contracts. Its tenant base is composed of high credit renters such as government, national, and multinational businesses.

Currently, BTB is managing more than 625 leases. The three largest tenants are **Wal-Mart** Canada, Public Works Canada, and West Safety Services Canada.,

Most of the assets have little or low maintenance costs because of the triple net leases. Under this type of lease agreement, the tenant or lessee pays for building insurance, maintenance expense, and all real estate taxes in addition to standard fees like rent, utilities, etc.

Positive momentum

TFSA users can ride on BTB’s positive momentum heading into 2020. As of Q3 2019, the occupancy rate stands at a high of 93.6%, as 75% of expiring leases for the year were renewed.

Moving forward, BTB expects to generate roughly $92 million in annual income from the 66 quality properties it owns. Would-be investors might be in for a prosperous new year courtesy of this top-notch REIT.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BTB.UN (BTB Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks

2. Investing

Date
2025/08/15
Date Created
2020/01/03
Author
cliew