



Get \$100 a Month in Permanent Income With This Famous Canadian REIT

Description

It's not likely to change your life, but getting \$100 every month in cold hard cash would be a welcome event for any Canadian. Fortunately, building a monthly [passive income stream](#) of \$100 isn't very difficult. In fact, all you need is a single stock.

Of course, you'll need a small nest egg to get started, but with this stock, the initial starting sum is particularly small. That's because this company offers a 5% dividend yield. And due to its unique business model and history, the payout is one of the most reliable in Canada.

Trust this Canadian icon

Canadian Tire Corporation Limited ([TSX:CTC.A](#)) is an impressive company. Founded in 1922, it's slowly become one of the top retailers in Canada. It currently has more than 1,600 locations under a variety of banners, including *Canadian Tire*, *PartSource*, *FGL Sports*, and *Mark's*.

Last year, it posted revenue of more than \$14 billion, with investment-grade credit ratings across the board. More than 80% of Canadians shop at a Canadian Tire store every year, and the company has close to 100% brand name recognition among citizens. When it comes to growth and resiliency, this is one of the most reliable names on the market.

But this story isn't about Canadian Tire. Instead, I'm more concerned with the company that owns the real estate that Canadian Tire stores are built on: **CT Real Estate Investment Trust** ([TSX:CRT.UN](#)).

Buy the land beneath

Due to its steady growth, stability, and staying power, Canadian Tire makes for a fantastic tenant. The company alone accounts for 92.5% of CT Real Estate's rental base, most of which is located in high-traffic areas experiencing population growth.

Around one-third of its land is in small-to-medium Canadian markets, with the remaining two-thirds is

largely split across major markets like Vancouver, Toronto, Edmonton, Calgary, Ottawa, and Montreal.

In total, investment-grade tenants provide 95% of CT Real Estate's rental income, with built-in pricing escalators averaging around 1.5% per year. Importantly, the average rental contract averages around 10 years, so the company can maintain a steady flow of cash during economic turmoil. As of last quarter, 98.8% of its leasable space was occupied by a tenant.

In summary, CT Real Estate owns a defensive asset that directly profits from one of Canada's most reliable, well-known companies. It's a perfect opportunity to create a passive income stream that you can rely on.

To earn \$100 in cash income per month, equal to \$1,200 per year, you need to invest \$24,000 into CT Real Estate stock, which provides a 5% dividend. If you don't have \$24,000 to spend, don't worry, for this company also makes for a great long-term investment.

Since 2013, CT Real Estate stock has risen from \$10 to nearly \$16, all while paying a steadily rising dividend, which was just increased last quarter. In total, the company has produced annual returns of around 10%.

If you had invested \$12,500 in 2013, reinvesting your dividends, you'd have roughly \$24,000 today. The factors fueling this historic rise are still in place today, so don't be surprised to see the same future play out again.

Whether you invest \$24,000 immediately or \$12,500 for seven years, a reliable \$100 monthly income stream is within reach using just CT Real Estate stock.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CRT.UN (CT Real Estate Investment Trust)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)

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