



Get Paid \$500/Month for a Lifetime With These 3 Great REITs

Description

I'm a big fan of forever assets — the kinds of investments you buy once with the intent of never, ever selling. A big reason why is the simplicity it creates.

I personally follow this plan for my real estate portfolio, which consists mostly of Canada's best real estate investment trusts (REITs). These REITs are stuffed with great pieces of property in prime locations. And I get the benefit of instant diversification and smart management.

And, as a nice bonus, these REITs deliver some excellent dividends.

Let's take a closer look at three of Canada's top REITs — firms that can look poised to deliver consistent passive income for decades to come.

Northview Apartment REIT

There's one simple reason why I continue to like **Northview Apartment REIT** (TSX:NVU.UN) a little more than its peers. The dividend yield is way higher than comparable investments. Northview's yield is 5.5%, while most of its competition pays investors dividends of 2-3%.

Yes, I realize there's more to an investment than the distribution, but in this scenario, the payout is a decent proxy for value. Northview's dividend is higher than its peers' because its price-to-earnings ratio is much lower.

Some might argue this is due to pockets of weakness in Northview's portfolio, which currently stands at some 27,000 units. It has exposure to oil-rich parts of Alberta and some of the weaker parts of the Maritime provinces. But that's more than balanced out by parts of the portfolio with good economic fundamentals — like its ever-growing presence in the Toronto area and northern Canada.

Another great thing about apartments is growth potential is unlimited. Northview is expanding by both acquiring new property and developing its own. Recent improvements in the balance sheet mean these growth efforts could be boosted going forward, too.

NorthWest Healthcare Properties

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) owns health-related real estate around the world. Assets include medical office buildings in Canada, clinics in Germany, hospitals in Brazil, and a smorgasbord of different properties in Australia and New Zealand. The total portfolio spans 149 different properties and more than 10 million square feet.

This REIT also has outstanding [growth potential](#). It works with various partners to develop property. It has acquisition potential in other markets, like the United States. And the company has partnered up with institutional investors in Australia — a model that's proven so successful, NorthWest plans to do it again and again.

Meanwhile, investors can sit back, relax, and collect their generous 6.8% yield — a payout that is adequately covered by earnings. In fact, the payout ratio should get better over time as NorthWest's portfolio gets bigger.

Dream Industrial REIT

Much has been written about the demise of the [shopping mall](#), while some bearish pundits predict something equally as bleak for office space, as companies downsize by allowing more workers to do their job from home.

Industrial real estate is a completely different scenario. In fact, with the growth in e-commerce, marijuana production, and other uses, it's easy to see a very bullish future for this type of asset.

Dream Industrial REIT ([TSX:DIR.UN](#)) is one of Canada's largest pure-play industrial REITs, with a portfolio spanning 209 properties and 21.8 million square feet of gross leasable area. Approximately one-third of the portfolio is located in the United States.

Not surprisingly, with a strong economy, Dream's occupancy rate continues to increase. It has a 96.2% occupancy rate, which is an excellent result. The company has also benefited from an increase in the value of its real estate; in 2017, the portfolio was worth \$1.6 billion. These days, the value is in the \$2.3 billion range.

Dream also pays a generous dividend, with the payout at 5.3%. The dividend is sound, too, with a payout ratio of 87% of funds from operations.

Get paid

To generate \$500 per month from these three great REITs, you'd need to buy

- 1,230 Northview Apartment REIT shares for a total investment of \$36,432;
- 2,505 NorthWest Healthcare Properties REIT shares for a total investment of \$29,709; and
- 2,863 Dream Industrial REIT shares for a total investment of \$37,562.

Together, that works out to a total capital outlay of \$103,703.

Sure, that might seem like a lot. But it's a worthwhile goal. And when that sweet passive income makes you more financially secure, it'll be all worth it.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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