3 Top REITs in Canada to Buy Now for RRSP Income

Description

From economic instability in Europe to the potential for a North American recession, a retirement investor is no doubt eyeing the headlines with some trepidation at the moment.

While the current bull run continues its historic gallop, anyone investing in the stock markets is likely aware that at some point the bear must reawaken — and yet there's no consensus on the outlook for the year.

With doubt comes the need for defensiveness, and if there is a single quality that reliably reflects the outlook for the rest of 2020, it's uncertainty.

It therefore makes sense for the cautious investor to pack classic defensive stocks in a retirement portfolio today, whether it's built around a Registered Retirement Savings Plan (RRSP), Tax-Free Savings Account (TFSA), or other long-term financial vehicle.

While there are several tried and tested ways to outrun a recession, let's focus on just one asset type: real estate. By buying into one or more Real Estate Investment Trusts (REITs), a retiree or investor looking toward eventual retirement can access reliable passive income without the risk and stress that comes with brick-and-mortar investments in the property market.

Let's look at three of the very best real estate plays on the **TSX.**

Buying stocks for a rich yield? Paying a 7.26% dividend, **Brookfield Property Partners** (TSX:BPY.UN)(NASDAQ:BPY) is a global operator with sites in North America, Europe, Australia, and Brazil.

That hefty yield plus strong geographical diversification combine with world-class asset management expertise to form a reassuringly varied buy for so-called "lazy landlords" hold long term.

Canadian Apartment Properties REIT (TSX:CAR.UN) is a classic play for the defensiveness of accommodation real estate. With a focus on urban centres, CAPREIT draws on rents from affluent areas across Canada, but also offers shareholders access to real estate in the Netherlands. A lower yield of 2.35% belies the sturdily defensive nature of this value stock that trades with low market fundamentals.

Mixing the impressively diverse play from the Brookfield Asset Management stable with a focused apartment REIT drawing income from urban rents is a bold move that will enrich an RRSP, protecting it from market volatility in the long term.

With Canadian and international exposure, CAPREIT and Brookfield Property Partners form a defensive tag team packing passive income dependability.

H&R REIT (TSX:HR.UN) is an office-oriented investment trust centred on two of the country's most densely populated provinces, namely Ontario and Alberta.

With exposure to other commercial asset types, such as retail and shopping centre real estate, H&R also packs some U.S. coverage. A 6.42% yield makes for a tasty buying point, albeit its Ontario office focus may be too narrow for some investors.

By adding the commercial aspect of H&R to the recession-resistant exposure granted by CAPREIT, though, an investor looking to cream some income from the real estate sector can diversify across industries.

Even Brookfield Property Partner's portfolio of sites is different enough that **TSX** investors can mix and match their investments without too much fear of overexposing themselves to any single area.

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2. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
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Date
2025/08/18

Date Created
2020/02/19
Author
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