



Passive Income Alert: Collect \$710/Month From These 3 Terrific REITs

Description

One of the safest and fastest ways to generate passive income since the start of this century is by becoming a landlord. You can buy properties and rent them out, which will result in a steady stream of income. However, real estate prices have skyrocketed in major Canadian cities, which means further capital appreciation will be difficult.

One other way to generate income is by investing in high-yield real estate investment trusts (REITs). This also diversifies risk, as your investment is allocated to a portfolio of properties across industries and geographies.

Here we look at three such REITs to invest in right now and generate a monthly passive income of \$710.

Brookfield Property Partners

Brookfield Property Partners ([TSX:BPY.UN](#)) (NASDAQ:BPY) is one of the largest real estate companies in the world. It owns, operates and develops one of the largest portfolios of retail, office, industrial, hospitality, triple net lease, multifamily, student housing, self-storage and manufactured housing assets.

The REIT's key investment objective is to generate attractive long-term returns on equity of 12% to 15% driven by stable cash flow, asset appreciation and annual distribution growth between 5% and 8%.

The company's website states, "We seek to accomplish this objective by acquiring high quality assets in resilient and dynamic markets and pursuing diversification across both geographic areas and real estate sectors, and continually recycling capital from stabilized assets at or near peak values into higher-yielding strategies."

The REIT has a forward dividend yield of 7.63% and with a payout ratio of 70%, it can easily increase dividend payments going forward. In case the housing market crashes in North America, Brookfield Property can hold its own given its diversified global portfolio.

Slate Retail REIT

Slate Retail REIT (TSX:SRT.UN) is a Canada-based open-ended real estate investment trust. It focuses on acquiring, owning and leasing a portfolio of revenue-generating commercial real estate properties in the United States with a focus on grocery-anchored properties.

This REIT owns [76 grocery-anchored retail commercial properties](#) south of the border spanning 10 million square feet of gross leasable area.

These properties are located in 20 states and two-tier or secondary cities in the U.S. such as Atlanta, Pittsburgh, and Charlotte. Grocery supermarkets are a necessity and part of a recession-proof industry, making this REIT a solid defensive pick.

Slate REIT investors have lost over 8% in the market selloff. This has increased the dividend yield to a mouth-watering 9.2%.

PRO Real Estate Investment Trust

PRO REIT (TSX:PRV.UN) is a Canada-based open-ended real estate investment trust. This REIT focuses on acquiring and managing commercial real estate properties in the secondary markets in Canada.

It has a portfolio of 92 properties with a gross leasable area of 4.4 million square feet in Quebec, Alberta, Nova Scotia, and New Brunswick. The retail segment accounts for 51.2% of revenue, followed by Industrial and Commercial Mixed Use at 25.2% and 13.2%.

This REIT [has managed to grow revenue](#) from \$23 million in 2016 to \$40.9 million in 2018. Analysts expect revenue to reach \$78.3 million by 2021. PRO REIT has a forward dividend yield of 8.74%.

Its price-to-sales ratio in the trailing 12-month period stands at 5.17, while the enterprise value to sales ratio is 11.8. PRO REIT has a return of equity of close to 10%, making it one of the top growth REITs to hold for Canadians.

In case you allocate \$100,000 uniformly across these three REITs, the annual dividend income will be close to \$8,520, which means a monthly dividend payment of \$710.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BPY.UN (Brookfield Property Partners)
2. TSX:PRV.UN (Pro Real Estate Investment Trust)
3. TSX:SGR.UN (Slate Retail REIT)

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