



## Here's Something for Investors Wanting a Rental Property

### Description

Buying a home remains the single biggest purchase that many of us will ever make. Unfortunately, getting into the position to purchase a home is getting harder with each passing year. In the white-hot markets of the GTA and Vancouver, the average price of a home is now well over \$1.2 million. This effectively prices out first-time homebuyers as well as investors looking to buy a rental property.

### The alternative to a traditional rental property

In the event that you don't actually have a cool \$350,000 sitting around for a down payment, there is hope. Investing in **RioCan Real Estate** ([TSX:REI.UN](#)) provides a similar opportunity to investing directly in a rental property without the day-to-day hassles.

For those that are unaware of RioCan, the company is one of the largest REITs on the market. RioCan has a focus on retail properties, but in the past few years, the company has begun to diversify into the residential segment. That residential segment poses a massive opportunity for investors, and here's why.

As I mentioned above, homes in Canada's major metro areas are, in a word, unaffordable. This effectively means that those looking for housing, such as first-time homebuyers, are being forced way out of the metro area. This means longer commute times and less access to the dining and entertainment options those younger buyers still look for.

RioCan's residential segment, known as RioCan Living, consists of mixed-use residential and retail towers that are located along transit corridors of Canada's major metro areas. This gives prospective tenants easy access to everything they need.

Further to this, the mixed-use aspect of those developments caters to another growing shift in the market. Consumers are moving away from traditional brick-and-mortar retailers, opting to shop on their mobile devices. This means that traditional retailers are seeing a drop in foot traffic. This factor alone makes RioCan a unique option for investors looking for rental property income.

In other words, RioCan is diversifying away from its brick-and-mortar retail in lieu of mixed-use properties. That trend (and the income-generating potential) will only grow in the coming years. Currently, RioCan has 14 mixed-use properties in development.

## What else does RioCan offer?

Apart from the [diversified appeal](#) of investing in RioCan, the REIT offers would-be investors what is arguably the best part of being a landlord — the ability to generate income. RioCan offers investors a handsome monthly dividend that currently works out to an impressive 4.68% yield.

To put that earnings potential into perspective, a \$40,000 investment would provide just over \$150 per month in income. Perhaps best of all is the fact that unlike being a landlord with a rental property, you don't have to worry about chasing down tenants for rent every month or dealing with maintenance.

In my opinion, RioCan is a [stellar long-term investment](#) that should be a core part of every portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:REI.UN (RioCan Real Estate Investment Trust)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

### Category

1. Dividend Stocks
2. Investing

### Date

2025/07/22

### Date Created

2021/04/23

### Author

dafxentiou

default watermark