



Passive Income: 2 Top REITs for Dividend Investors

Description

There's no question that dividend stocks are crucial to own in your portfolio. From low-yield, high-growth stocks to those that return you tonnes of passive income. And there's no better place to find dividend stocks than the highly popular real estate industry.

Real estate is unquestionably one of the best industries to invest in. Owning an income property is the goal of many Canadians, as residential real estate is highly defensive, and the passive income the assets can generate is attractive.

Investing in the [real estate industry](#) offers a tonne of benefits. And when you invest in real estate stocks, you can have a lot more flexibility rather than owning a single property.

Not only will a single real estate investment trust (REIT) offer exposure to multiple properties, but when you invest in stocks, you have the ability to spread your capital around.

This helps you diversify even more, ultimately lowering your risk without hurting your potential. So if you're interested in generating passive income and investing in the high-potential real estate sector, here are two of the top REITs to buy for dividend investors.

The largest residential REIT in Canada

If you're looking to invest in real estate stocks, one of the top REITs you'll always want to consider is **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)).

Canadian Apartment Properties is a massive residential REIT, the largest in Canada and a top investment if you want growing passive income. The trust is worth more than \$10 billion with more than 67,000 suites and sites across Canada and in [Europe](#).

One of the reasons this top REIT is one of the best real estate investments you can make is that it's extremely liquid. So you can get your money back rapidly, as opposed to other real estate investments where your money can be tied up for years.

Plus, the massive portfolio of more than 67,000 suites and MHC sites results in a tonne of stability for investors. Not to mention the REIT is incredible at executing. Even throughout the pandemic, it's managed to keep its occupancy rate impressive. As of its most recent quarter, Canadian Apartment Properties' occupancy rate was north of 97%.

While this stability is important, one of the main reasons to buy this top REIT is for the growth potential it offers. Not only is it continuously growing its portfolio, but its dividend is continuously being increased, too, growing the passive income that investors receive.

Today that dividend yields roughly 2.2% making it the perfect complement to the capital gains potential the units have. Over the last five years, investors have seen a total return from the REIT of more than 120%, or a compounded annual growth rate north of 17%.

So if you're looking for impressive long-term growth potential and attractive passive income, Canadian Apartment Properties is one of the best REITs to consider.

Like passive income? Here's a top high-yield stock

If you're a dividend investor that values passive income more than capital gains potential, one of the top REITs to consider today is **Plaza Retail REIT** ([TSX:PLZ.UN](#)).

Don't get me wrong, Plaza REIT can still offer significant price appreciation over the long run. However, the number one reason to buy the stock today is for its incredible 6.2% dividend yield.

As its name suggests, Plaza Retail REIT owns several high-quality retail properties across Canada. These REITs were impacted the most during the pandemic due to the lengthy lockdowns we all endured.

Plaza, though, has been quite robust throughout the pandemic due to its highly diversified portfolio of tenants. Not only that, but consumer staples such as pharmacies, groceries, gas stations, dollar stores, etc., make up roughly half of its portfolio.

So while 10% of its rental income was affected last year, the REIT has stayed highly robust. And today, it's back to collecting over 98% of its revenue.

So if you're a dividend investor looking for passive income, Plaza REIT is one of the best real estate investments to make. It has highly robust operations, pays a monthly dividend with has plenty of growth projects coming online down the pipe.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSX:PLZ.UN (Plaza Retail REIT)

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