



Passive Income: 3 of the Best REITs for Dividend Investors

Description

Investing in [real estate](#) offers many advantages for investors. That's why any time you're looking for some of the best Canadian stocks to buy now, or you're looking to build your passive income stream, you should undoubtedly consider the top REITs.

In addition to being generally defensive, high-quality real estate funds offer investors lots of growth potential. And because there are so many to choose from, you can find some REITs offering high yields, while others provide major growth.

So if you're a Canadian investor looking to increase your passive income and find some of the best Canadian stocks to buy now, here are three of the top REITs to consider.

A top dividend stock to buy for growing passive income

If you're a [dividend investor](#) focused on finding passive income streams that can offer consistent growth, one of the best REITs to buy now is **Granite REIT** ([TSX:GRT.UN](#)).

Granite is an industrial REIT that's been growing rapidly for some time. As more retail companies commit to e-commerce and businesses decide to close their bricks-and-mortar locations, demand for warehouse space has been rising rapidly, directly benefitting REITs like Granite.

In fact, just since 2018, Granite has increased its distribution by almost 15%. Furthermore, it has increased the distribution for 10 consecutive years.

The trust has a high-quality tenant base and over a 99% occupancy rate. Furthermore, in addition to its 114 income-producing properties, it also owns 12 properties for future development and growth.

So if you're a dividend investor looking for one of the top REITs that can constantly increase the passive income it's providing, Granite is one of the best to buy now.

A higher-yield dividend aristocrat

One thing investors may not necessarily like about Granite REIT, though, is that its current [yield](#) is just 3.25%. That's actually not too bad, but there are other high-quality REITs on the Canadian Dividend Aristocrats list that have a higher yield and therefore return more passive income.

So if you're an investor that values dividend growth but is looking for a slightly more attractive yield, I'd recommend **CT REIT** ([TSX:CRT.UN](#)), which currently yields just over 5%.

CT REIT is a retail REIT that's majorly owned by **Canadian Tire**. The REIT also receives roughly 90% of its income from Canadian Tire, and its subsidiary banners. Therefore, as long as Canadian Tire remains a popular business among consumers, CRT is one of the best retail REITs for passive income investors to buy today.

Since 2018, CT REIT's distribution has grown by roughly 15%, very similar to Granite. So if you're looking to buy a reliable dividend stock that pays an attractive yield and will continue to increase the passive income it's paying out to investors, CT REIT is one of the best.

A high-yield REIT that's one of the best dividend stocks to buy now

Dividend growth stocks are great, but some investors strictly want to earn the highest yield and, therefore, the highest amount of passive income possible. If that's your preference, **True North Commercial REIT** ([TSX:TNT.UN](#)) currently offers an 8.3% yield.

One of the most common reasons a stock will offer a higher yield is because it offers less potential for capital gains. When a business pays out more capital to investors, it keeps less for itself to invest in growth. So in True North's case, while it should continue to return a tonne of passive income to investors each month, you shouldn't expect its share price to increase very significantly.

Over the last three years, for example, Granite, a high-growth REIT, has seen the price of its units grow by over 60%, compared to True North's, which has increased by just 13.5%. That's a massive difference. However, the total return (including distributions) of Granite was roughly 80%, compared to True North, which is just under 50%.

That's still a sizeable difference, but because True North has such a substantial yield, it's much less significant than the difference in unit price growth. Plus, it shows True North can also earn investors a meaningful return.

So if you're looking for a more predictable return and higher passive income, True North REIT is one of the best dividend stocks to buy now for Canadian investors.

CATEGORY

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TICKERS GLOBAL

1. TSX:CRT.UN (CT Real Estate Investment Trust)
2. TSX:GRT.UN (Granite Real Estate Investment Trust)
3. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

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