



Want High Passive Income? These 3 TSX REITs Have Yields Above 5%

Description

Canadian investors focused on maximizing their monthly income streams would do well to consider buying and holding [real estate investment trusts \(REITs\)](#).

REITs are funds that invest in real estate and pay monthly distributions through the rental/lease income generated. Like stocks, shares in REITs trade on exchanges. These shares can be held in a TFSA and RRSP, allowing for tax-free or tax-deferred distributions

REITs are required to pay out a substantial portion of their capital to their investors. After all, investors buy REITs to get monthly income stream. For that reason, you can often achieve yields higher than dividend stocks by investing in REITs.

Investing in REITS can therefore be an easy way to maximize your monthly passive-income stream. Here's a list of three Canadian REITs that yield more than 5% as of today.

NorthWest Healthcare Properties REIT

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) manages a portfolio of international healthcare real estate infrastructure such as hospitals, clinics, and medical office buildings. NWH.UN currently owns over 190 income-producing properties, representing 15.4 million square feet of gross leasable land.

NWH.UN currently has a distribution yield of 5.78%, paying roughly \$0.80 per share, with a five-year historical average yield of 6.87%. The current payout ratio of 46.75% is also healthy and sustainable. The REIT recently went ex-distribution on March 30 and will pay out on April 15.

Plaza Retail REIT

Plaza Retail REIT ([TSX:PLZ.UN](#)) manages a portfolio of 272 retail properties focused in Eastern Canada, such as Ontario, Quebec, and the Maritimes. It manages nearly 8.6 million square feet of

retail space, comprising a mixture of open-air shopping centres and standalone retailers.

PLZ.UN currently has a distribution yield of 5.70%, paying roughly \$0.28 per share, with a five-year historical average yield of 6.76%. The current payout ratio of 28.60% is very sustainable and low in comparison to its sector peers. The REIT recently went ex-distribution on March 30 and will pay out on April 18.

Automotive Properties REIT

Automotive Properties REIT ([TSX:APR.UN](#)) manages a portfolio of 64 income-producing commercial automotive dealership properties across Canada. It manages nearly 2.5 million in gross leasable area and is perhaps one of the most niche and interesting REITs in its sector.

APR.UN currently has a distribution yield of 5.56%, paying roughly \$0.80 per share, with a five-year historical average yield of 5.66%. The current payout ratio of 36.78% is sustainable and reasonable compared to sector peers. The REIT recently went ex-distribution on March 30 and will pay out on April 15.

The Foolish takeaway

All three of the REITs profiled above have above-average distribution yields of 5% or higher, good payout ratios, and a solid portfolio of underlying properties. A good diversification play could be to buy all three. In this case, your average distribution yield would be 5.68%. On a \$1,000,000 portfolio, that would be around \$56,800 annually in passive income.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:APR.UN (Automotive Properties Real Estate Investment Trust)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:PLZ.UN (Plaza Retail REIT)

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