



3 TSX Dividend Stocks Better Than a Rental Property

Description

Rental properties are notoriously difficult to manage. That's why I prefer to buy **TSX**-listed [real estate](#) stocks. Buying residential or commercial properties can seem like any easy way to earn passive income. You buy the property, find a tenant, and collect the rents.

However, it often involves much more. You have leasing, property marketing, renovations, maintenance, budgeting, collections, expense management, and taxes (to name a few tasks).

Often, the time component of managing these properties is not factored when buying the investment. If time had monetary value, these investments could end up yielding much less than originally imagined.

TSX real estate stocks are a great “passive” alternative to rental properties

Certainly, if you have time and competence in these areas, a rental property might be a fitting investment. However, if you don't, real estate investment trusts (REITs) are an exceptional alternative. Here are three TSX REIT stocks that are attractive options for reliable [passive income](#).

Minto Apartment REIT: A top TSX apartment stock

Minto Apartment REIT ([TSX:MI.UN](#)) owns 7,500 rental units across Toronto, Ottawa, Montreal, Calgary, and Edmonton. These units are very well-located and collect higher-than-average rents. While occupancy has somewhat suffered since the pandemic, the REIT is starting to see a strong recovery in rental demand.

Minto is very well managed, and it has a quality, low-debt balance sheet. The company has a strong development pipeline and has made some attractive acquisitions this year.

While this REIT only pays a 2.4% distribution, it has grown that distribution every year since inception.

For organic rental rate growth and [upside](#) from acquisitions, this is a quality TSX real estate stock to buy at an attractive valuation today.

Granite REIT: A top industrial REIT

Industrial real estate is also an attractive asset class. Large-scale logistics and warehousing properties are often out of the price range of the common retail investor. That is why a REIT like **Granite REIT** ([TSX:GRT.UN](#)) is particularly attractive.

Through it, investors get to own institutional grade logistics and manufacturing properties in North America and Europe. The company has a strong development pipeline, great organic growth, and excess cash/debt capacity to buy more properties. Management is targeting +10% cash flow-per-share growth in 2022.

Since 2012, Granite has consistently compounded annual total returns by 16.5%. Today, Granite pays a 3.1% distribution yield. It has raised its distribution every year for the past 10 years. For a solid, reliable TSX dividend stock, this is as good as it gets in Canada.

Chartwell: A leading seniors housing provider

If you are looking for a value-priced real estate stock, you may want to consider **Chartwell Retirement REIT** ([TSX:CSH.UN](#)). It is one of the largest owners and operators of senior's retirement housing in Canada. In 2020, this TSX stock was severely hit after the COVID-19 pandemic severely challenged its operations.

However, Chartwell stock has been nicely recovering as society adapts to better manage the coronavirus. Canada has a wave of baby boomers entering retirement. As this demographic ages, the demand for retirement housing is expected to explode. Over the long term, this will be a very favourable tailwind for Chartwell.

This TSX stock pays an attractive 4.7% distribution today. For an elevated yield and the potential for a longer-term stock recovery, Chartwell presents attractive value today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CSH.UN (Chartwell Retirement Residences)
2. TSX:GRT.UN (Granite Real Estate Investment Trust)
3. TSX:MI.UN (Minto Apartment Real Estate Investment Trust)

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