1 Top REIT for Monthly Passive Income

Description

Investing in the Canadian real estate market a couple of decades ago was one of the best decisions for many Canadian investors. The housing market has soared over the past decade or so. It does not look like prices will go down anytime soon.

Canadians looking for homes to buy as their primary residence might face significant challenges in finding something that aligns with their budgets. But Canadians who want to buy real estate as investment properties to generate rental income might have a better alternative to consider.

Canadian real estate investment trusts (REITs) are excellent investment vehicles to earn monthly passive income based on the performance of the Canadian real estate industry. If you have ever owned an investment property, you might already know that being a landlord hardly qualifies as passive-income generation.

Property management is not a walk in the park

Owning a rental property requires a lot of work. You have to maintain budgets, deal with tenant problems, handle maintenances, taxes, utilities, advertise your listing, and much more. You could consider hiring a property manager to handle the tasks, which can eat into your monthly returns.

Many people who want to own investment property to create a monthly revenue stream fail to factor in all the hassles of managing the property and dealing with tenants. Depending on your knowledge and experience in managing investment properties, it could require the same effort as a full-time job. It is why many people hire property managers.

REITs offer more flexibility

Investing in a Canadian REIT also provides you with monthly rental income. Additionally, REITs do not come with the property management challenges you might face as a landlord. Investing in Canadian REITs is like purchasing shares in a stock trading on the **TSX**. Owning shares of a REIT provides you with exposure to a portfolio of diversified real estate assets in a single investment product.

Investing in publicly traded REITs is a more liquid method to invest in real estate. It requires a significantly lower cash outlay than purchasing an investment property.

The structure of the REITs means that each REIT pays monthly distributions to shareholders through the returns from the properties held in their portfolio. Many of these REITs pay at attractive dividend yields, making them viable investments to create a monthly passive-income stream.

Foolish takeaway

If you are looking for REITs that pay monthly distributions at an attractive dividend yield, consider **NorthWest Healthcare Properties REIT** (TSX:NWH.UN). NorthWest Healthcare REIT is a $3.24 billion market capitalization REIT headquartered in Toronto.

Founded in 2010, it owns an extensive portfolio of properties in the healthcare industry, including hospitals, life science properties, and other medical facilities.

The essential nature of the healthcare industry effectively makes owning NorthWest Healthcare Properties REIT an attractive asset for income-seeking investors.

The high-grade tenant mix and long-term leases lasting over 12 years mean it can generate significant cash flows to fund its monthly distributions comfortably. 70% of the properties in NorthWest REIT's portfolio have inflation-indexed leases, making it an attractive hedge against inflation.

NorthWest REIT trades for $13.75 per share at writing, and it boasts a 5.82% dividend yield. If you want to invest in the real estate sector to earn passive income as a lazy landlord, NorthWest REIT could be a good place to begin.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

PARTNER-FEEDS

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

PP NOTIFY USER

1. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/08/23
Date Created
2022/04/18
Author
adamothman