

Want to Earn Passive Income From Real Estate? Buy These Stocks

Description

Saving and investing your money gives you a tonne of opportunities. In addition to investing offering the ability to grow the value of your capital, you can find assets that will return passive income. One of the best investments to make for both capital gains potential and passive income is to buy top real estate stocks.

<u>Real estate</u> assets are particularly great investments to buy for passive income, because they constantly earn cash flow. Of course, you can also find stocks that own development properties, and these have tonnes of potential, too.

However, the majority of real estate assets are already earning cash flow, which is why they are some of the best stocks to buy for passive income.

And while there are tonnes of high-quality REITs for Canadian investors to consider, here are two of the best.

A top Canadian REIT to buy for growing passive income

If you're looking for a higher yield REIT with a bit less capital gains potential but one that pays a safe and attractive dividend, **CT REIT** (TSX:CRT.UN) is one of the best to buy.

Some REITs offer higher yields and have some risk. Then there are REITS that have lower yields but are more growth oriented. CT REIT sits right in the middle. It offers slower, more stable growth, but the primary reason CT REIT is one of the best real estate stocks to buy now is that it provides a 4.6% <u>yield</u>, which is extremely safe.

Because CT REIT earns over 90% of its revenue from **Canadian Tire** and more than 96% of its revenue from credit-rated tenants, it's proven to be reliable. Not only that, but it has an occupancy ratio of more than 99% and has one of the longest weighted average remaining lease terms in the space.

Plus, in addition to CT REIT's distribution being extremely safe, it's also consistently increasing. In fact,

over the last five years, it's increased at a compounded annual growth rate of 3.9%.

If you're looking to earn passive income from real estate stocks, there's no question that CT REIT is one of the best you can buy.

One of the best stocks to buy for exposure to Canadian real estate

CT REIT is one of the best investments you can make in real estate. But if you're willing to compromise some of the yield for more capital gains potential, I'd recommend **InterRent REIT** (TSX:IIP.UN).

InterRent is one of the best long-term growth stocks to buy in the real estate sector. Plus, the stock has been trading cheap lately, offering more upside but also, at this discount, its yield is higher. Not to mention, just like CRT, it's a dividend-growth stock.

The reason InterRent returns less cash to investors and offers a distribution that currently yields just 2.2% is that it keeps more money to invest in growth. InterRent is constantly looking to buy new properties and expand its portfolio or invest in renovations to upgrade its existing properties.

And thanks to impressive execution from management for years, the growth delivered has been impressive. Even with InterRent's recent pullback, it's still earned investors a total return of more than 400% over the last decade.

If you're looking for a growth investment to buy in the real estate sector, InterRent is one of the best stocks you can consider.

CATEGORY

- 1. Dividend Stocks
- 2. Investing

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