What Are the Best Real Estate Stocks to Buy for Dividend Income?

Description

As many investors know, the real estate industry is full of high-quality investments. Whether you're looking more for dividend income, capital gains, or a healthy balance of both, plenty of the best stocks to buy for long-term investors can be found in real estate.

So, the key for investors to make sure they're buying the best investments for their portfolios, but also at the best prices, is to understand the potential investments well.

It's crucial to understand the Canadian real estate industry and each of its subsectors and have a general idea of what the trends have been across the country in different regions. Then, of course, it's also crucial to have a good grip on the operations of the stock you're looking at, where its assets are located, and both its potential for growth as well as the risks you need to consider.

For example, residential and industrial real estate assets have soared in value over the last couple of years. Meanwhile, retail and the office sector haven't performed as well due to several reasons, most significantly being the pandemic.

Keeping in mind all the ongoing trends in the Canadian real estate market is crucial to finding the best stocks to buy, whether you're looking to earn dividends or capital gains.

However, for investors looking to find high-quality passive-income producers, here is one of the best real estate stocks to buy today.

One of the best real estate stocks in Canada that dividend investors can buy

In my opinion, **CT REIT** (TSX:CRT.UN) is one of the best real estate stocks you can buy for passive income, because it offers an attractive mix of reliability, consistent dividend increases and long-term growth potential.

At the moment, CT REIT offers an impressive yield of roughly 4.8%. That's not the highest in the real estate sector, but it's certainly one of the best when you consider how safe it is. In addition, it's constantly increasing its distribution. In fact, it could be due for another increase soon.

Most importantly, though, CT REIT's reliability is what allows it to pay such a fantastic distribution and have operations that can constantly grow. And the stock is so safe, because much of its income comes from **Canadian Tire**, its parent company.

In addition, its yield only pays out about 75% of its adjusted funds from operations. Not to mention, its occupancy rate is over 99%. CT REIT's performance through the pandemic has proved how safe it is. And not only was the REIT hardly impacted, but many of its retail peers were some of the hardest hit.

In addition to its resiliency, though, CT REIT's execution has been impressive for years. Since the REIT went public back in 2013, it hasn't posted a single quarter of negative revenue growth year over year, including through the pandemic.

Most recently, it announced several new investments, including the development of a new net-zero distribution centre in Calgary, which should continue to drive more long-term growth for the top Canadian real estate stock.

So, given the ongoing issues and uncertainty in the stock market and the safety, stability, and attractive passive income CT REIT provides, if you're looking for a top dividend stock to buy now, it's one of the best to consider in the real estate sector.

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