2 Top REITs for Consistent Dividends

Description

Dividend investing has become increasingly popular among Canadian investors in recent months. Growth stocks present too much risk for many investors, thanks to the volatility in the market. Dividend stocks offer a more reliable method to grow your wealth during uncertain market environments through cash distributions.

Creating a portfolio of high-yielding and reliable dividend stocks could be a viable way to unlock substantial long-term wealth creation. If you find income-generating assets with the potential to deliver uninterrupted distributions for years, you could rely on them to earn passive income.

You could also reinvest the shareholder dividends to unlock the power of compounding and accelerate your wealth growth.

Real estate investment trusts (REITs) offer monthly cash distributions, allowing you to earn rental-like income without the hassles of being a landlord. Today, I will discuss two REITs you could consider adding to your portfolio for high-yielding cash distributions paid out each month.

Slate Grocery REIT

Slate Grocery REIT (TSX:SGR.U) is a Toronto-based $681.42 million market capitalization REIT that acquires, owns, and leases a portfolio of commercial real estate properties primarily located in the United States. The company's portfolio is anchored principally to commercial real estate properties in the grocery industry, with several massive names under its belt.

It owns 107 properties across the border. Most of its portfolio has high-quality tenants like **Walmart** and **Kroger**. Almost 70% of its tenants run businesses deemed essential. The company's cash flows are effectively secure, stable, and predictable, regardless of the conditions in the broader market.

Slate Grocery REIT pays monthly distributions at a juicy 7.33% dividend yield at writing, making it an attractive investment for your income-generating portfolio.

Slate Office REIT

Slate Office REIT (TSX:SOT.UN) is another REIT owned by the same company. The $378.51 million market capitalization trust acquires, holds, develops, maintains, leases, manages, and improves office properties. The company owns and operates a portfolio of 55 office units across Ireland and North America. Its tenants primarily comprise government agencies or AAA-rated corporations.

Slate Office REIT boasts a portfolio occupied by a robust tenant base that generates stable and reliable cash flows for the trust. However, Slate Office REIT has not gained as much traction as its grocery-anchored counterpart.

Flying under the radar could be a reason for its deflated valuation on the stock market. The depressed valuation has led to a significantly high dividend yield for its monthly cash distributions.

Slate Office REIT pays its investors their monthly distributions at an enormous 8.39% dividend yield at writing. It could be another excellent investment you can add to your income-generating portfolio.

Foolish takeaway

It is important to remember that you should never put all your eggs in one basket. Focusing entirely on high-yielding dividend stocks could entail risk to your portfolio if any of them slash or suspend shareholder dividends.

It might be better to create a diversified portfolio comprising several income-generating assets to enjoy a degree of safety if any of them underperform. Slate Grocery REIT and Slate Office REIT are two trusts that are well positioned to provide investors with reliable monthly distributions.

Investing in these two REITs could be an excellent start to building an income-generating investment portfolio. Allocating a portion of your TFSA to a portfolio of income-generating stocks could also help you generate passive income without income taxes on your earnings.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:RPR.UN (Ravelin Properties REIT)
2. TSX:SGR.U (Slate Retail REIT)

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