3 REITs Will Provide You With Monthly Passive Income

Description

Dividend investing is worth it regardless of the economic environment. However, during inflationary periods, companies paying monthly dividends are better options because cash flows are every month, not quarterly. Real estate investment trust (REIT) is the asset class with the greatest number of monthly dividend payers.

Among the generous passive income providers are **SmartCentres** (TSX:SRU.UN), **Dream Office** (TSX:D.UN), and **Granite** (TSX:GRT.UN). Besides their dividend-growth streaks of at least seven years, the dividend yield ranges from 4% to nearly 7%.

Huge non-retail development pipeline

SmartCentres, at $27.06 per share, pays an over-the-top 6.97% dividend. This $4.6 billion REIT owns and operates a best-in-class portfolio that consists of retail properties. However, the development of residential rental, seniors' housing, self-storage, office buildings, and hotels are underway or among the master-planned projects.

In Q1 2022, rental revenue and net operating income (NOI) increased 1.85% and 4.11% versus Q1 2021. Net income for the quarter was $370.11 million, which represents a 511.16% year-over-year growth. **Walmart**-anchored shopping centres that comprise the bulk of the retail portfolio were the REIT's pillars during the pandemic.

Management said, "We ended the first quarter with solid performances from all aspects of the business. Operational resilience was demonstrated by solid leasing momentum for both existing and new retail tenants." As of March 31, 2022, in-place and committed occupancy rates were 97% and 97.2%, respectively.

Improving office market

The mandated lockdowns in 2020 and shift to the work-from-home environment affected landlords of offices, including Dream Office. However, Michael Cooper, the REIT’s president and CEO, the state of Canada’s office market is heading in the right direction, although at a measured pace. He also noted the increasing number of cars in their parking spaces every week.

The $923.66 million REIT owns and operates 29 active office properties. Its in-place and committed occupancy rates after Q1 2022 were 81.7% and 85%, respectively. In the quarter ended March 31, 2022, net income rose 415.3% to $52.28 million versus Q1 2021.

Cooper added, “Our business has continued to navigate through uncertainties in the economy and recovery from the pandemic with resilience.” Dream Office trades at $19.64 per share and pays a 5.23% dividend.

High-demand properties

Granite’s 122 income-producing properties consist of logistics, warehouse, and industrial properties. The locations of the leased real estate are in North America and Europe. This $5.2 billion REIT is a Dividend Aristocrat owing to 11 straight years of dividend increases. If you invest today, the share price is $79, while the dividend yield is 4%.

In Q1 2022, revenue and NOI increased 13.2% and 11.9% compared to Q1 2021. Granite’s net income climbed 116.3% year over year to $497.7 million. Based on market analysts’ forecasts, the real estate stock could rebound 7.16% in one year.

Present day reality

Investors have no choice but to accept the reality of the present day. Because of rising inflation, purchasing power will reduce, while real income will erode. If you have confidence in the stock market, the recourse to beat or combat rising prices is to create passive income. The rate-hike campaign of the Bank of Canada is ongoing, but the time frame to curb inflation is indeterminable.

CATEGORY

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2. Investing

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2. TSX:GRT.UN (Granite Real Estate Investment Trust)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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