Real Estate: 2 Top Dividend Aristocrats to Own Today

Description

The Canadian real estate industry has long been regarded as excellent for finding long-term investments for wealth growth through appreciation. Real estate investment trusts (REITs) provide investors with substantial capital to generate stable and passive income without excessive cash outlay.

The Canadian housing market has started to decline after the series of interest rate hikes introduced by the Bank of Canada (BoC) diminished borrowing power. With more expensive mortgages and living costs rising due to inflation, the demand to buy houses has decreased.

Home prices have dropped significantly in recent months, reflecting the drop in demand. Even at lower valuations, buying a home as an investment property might not prove accessible for many Canadian investors.

Investing in REITs, however, is more accessible. It is also a more liquid method to gain exposure to the performance of the real estate industry. Many of these trusts have high-quality defensive operations that allow them to provide reliable and growing payouts to investors.

If you want to own high-quality real estate stocks to create a stable, secure, and passive-income stream, you might want to consider taking a closer look at these two REITs.

Granite REIT

Granite REIT (TSX:GRT.UN) is a $5.21 billion market capitalization REIT engaged in the acquisition, development, ownership, and management of a diversified portfolio of industrial, warehouse, and logistics properties in Europe and North America. The company generates almost its entire revenue in the form of rental income through its properties.

Granite REIT trades for $79.11 per unit at writing, and it boasts a 3.90% forward annual dividend yield, which it pays out in monthly shareholder distributions. It could be an excellent bet for long-term exposure to the real estate market.

CT REIT

CT REIT (TSX:CRT.UN) is a $1.71 billion market capitalization REIT that invests in retail properties across Canada. The trust generates a significant portion of its revenues by leasing its properties to **Canadian Tire**, which operates the Canadian Tire retail stores. Having most of its properties anchored by a reliable tenant means CT REIT can generate stable and predictable cash flows for the foreseeable future.

CT REIT trades for $16.07 per unit at writing, and it boasts a juicy 5.42% forward annual dividend yield, which it pays out in monthly shareholder distributions. It could be a viable investment for income-seeking investors who want to add high-yielding dividend stocks to their investment portfolios.

Foolish takeaway

Average home prices in Canada have started to go down, and the housing bull market appears to have come to an end. It remains to be seen how far the pullback in prices will be. Some experts anticipate that housing prices will decline to more reasonable levels, reflecting the actual value of homes. Others believe that housing market activity will pick up again and send prices soaring.

REITs offer you a more flexible method to invest in real estate and enjoy benefits without the hassles that come with being a landlord. By letting professionals manage a portfolio of high-quality real estate assets on your behalf, you can enjoy monthly rental-like income without the effort necessary to be a successful landlord.

Provided that you invest in the correct REITs, you can build an income-generating portfolio that can line your account balance with monthly cash flows for a long time.

Granite REIT and CT REIT are two high-quality trusts that you could consider adding to your portfolio for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CRT.UN (CT Real Estate Investment Trust)
2. TSX:GRT.UN (Granite Real Estate Investment Trust)

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