



Easy Passive Income: 2 Canadian REITs (With Monthly Dividends) to Buy Today

Description

The Canadian real estate stocks saw a sharp correction in the first half of 2022, as investors remained worried about macro uncertainties. As inflationary pressures forced central banks in Canada and the United States to take aggressive monetary policy measures, the possibility of a near-term recession started haunting investors. Nonetheless, [dividend](#) investors may want to take advantage of a recent dip in real estate stocks to buy them at a big bargain. Let me explain why.

Invest in these Canadian stocks for monthly passive income

The recent cooler-than-expected inflation data from the U.S. market came as a ray of hope for real estate investors, as it has started a healthy recovery in the shares of most [REITs](#) (real estate investment trusts) in the ongoing quarter. Interestingly, most Canadian REITs distribute their dividends on a monthly basis, which could become a great source of monthly passive income for their investors. Given that, it could be the right time for investors to consider investing in such recovering REITs in August.

I'll highlight two of the best REITs with monthly dividends here.

Summit Industrial Income REIT stock

Summit Industrial Income REIT ([TSX:SMU.UN](#)) is a Dartmouth-based, unincorporated, open-ended trust with a market cap of about \$3.5 billion. It primarily focuses on major markets in Canada by growing and managing a portfolio of light industrial real estate assets. Summit REIT stock currently trades at \$18.66 per share with about 20.6% year-to-date losses. At the current market price, this Canadian stock offers a decent annual dividend yield of around 3.1% and distributes its dividend payouts monthly.

While the COVID-19-related restrictions badly affected most real estate firms, Summit REIT continued to register a solid 34.3% YoY (year-over-year) jump in its total revenue in 2020, reflecting underlying strength in its business model. In the June quarter, the Canadian real estate trust [posted](#) a 13.8% YoY

positive growth in its total revenue to \$62.3 million with the help of a strong increase in its net rental income.

Interestingly, Summit REIT had a near-full occupancy rate of over 99%, with an average lease term of more than five years at the end of the second quarter. Given that you could expect its financial growth to accelerate in the coming years, and its stocks to help you earn reliable monthly passive income in Canada.

Canadian Apartment Properties stock

Canadian Apartment Properties REIT ([TSX:CAR.UN](#)) is another fundamentally strong Canadian real estate stock that you can bet on right now to earn stable passive income each month. This REIT currently has a market cap of about \$7.8 billion, as its stock trades at \$45.69 per share after witnessing a nearly 24% value erosion in 2022. At this market price, it has an annual dividend yield of around 3.2%.

While its COVID-related challenges affected its earnings growth trend in 2020, Canadian Apartment Properties REIT posted a strong financial recovery last year. Its adjusted earnings in 2021 rose by 48.4% YoY to \$8 per share after witnessing a drop of 28.3% in the previous year. In the June quarter, its total revenue rose by nearly 10% to \$251.7 million, as the occupancies across its properties increased along with higher average monthly rents. At the end of the second quarter, Canadian Apartment REIT had a strong occupancy rate of around 98.2% compared to 97.2% a year ago.

Last year, Canadian Apartment Properties acquired 3,744 apartment suites, townhomes, and manufactured housing community sites in Canada and the Netherlands, which should help it increase its financial growth trends in the coming years. Given that, long-term investors may consider buying its stock right now when it's down well more than 20% year to date.

CATEGORY

1. Dividend Stocks
2. Investing

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