



## Dividend Stocks: 3 of the Best REITs to Buy for Passive Income

### Description

Buying dividend stocks and earning passive income is one of the most recommended strategies for [long-term](#) investors, particularly in these market conditions. And although you can find dividend stocks in essentially every sector, there's no doubt that some of the best stocks to buy for passive income are high-quality REITs.

The reason why many real estate stocks are ideal for dividend investors is that the assets that these stocks own are constantly earning tonnes of cash flow.

Plus, many real estate assets are reliable and, therefore, defensive. So if you're looking to grow your income and find some of the more reliable dividend stocks on the market, here are three high-quality REITs to buy now.

### A retail real estate stock to buy for dividend investors

In general, retail REITs have faced a lot of pressure in recent years, mainly through the pandemic, when shutdowns affected many of their tenants.

However, while most companies in the retail real estate space face headwinds, one that's an excellent investment and perfect for passive income seekers is **CT REIT** ([TSX:CRT.UN](#)).

The reason why CT REIT is so reliable is that it's owned by and receives roughly 90% of its sales from **Canadian Tire**. This makes its income very stable and is part of the reason why it has an attractive annual dividend growth streak.

Plus, CT REIT has an impressive pipeline of growth projects that will be coming online in the next few years, which will significantly increase its growth potential.

After seeing its sales increase by over 25% in the last five years, CT REIT has increased its dividend by 19% over that stretch.

Therefore, when you consider the stock's combination of reliability, dividend growth, and attractive dividend yield of more than 5.2% today, CT REIT is certainly one of the best REITs to buy for passive income.

## A high-potential mixed-use REIT

In addition to retail REITs, another one of the top dividend stocks in real estate for passive income seekers to buy is **H&R REIT** ([TSX:HR.UN](#)).

H&R REIT owns a variety of properties, including residential, industrial, office and retail properties. However, it's currently transitioning into a REIT that's solely focused on residential and industrial assets.

One of the main reasons H&R, in particular, is a great passive income generator is that all of its assets are well diversified, which significantly lowers the risk for investors. The stock owns assets mainly in Ontario and Alberta in Canada, as well as spread across numerous states in the U.S.

And just like many other real estate stocks, H&R REIT trades unbelievably cheap today while also offering an appealing dividend yield of roughly 4.5%.

At just under \$12.50 per unit, H&R REIT is trading at below 0.7 times its estimated net asset value. So while this high-quality REIT trades cheaply and before it completes its transformation, it's undoubtedly one of the best dividend stocks to buy now.

## A first-rate residential REIT to buy for passive income

Lastly, one of the best residential REITs to buy for passive income seekers is **Killam Apartment REIT** ([TSX:KMP.UN](#)), a real estate stock with the majority of its assets located in eastern Canada.

Killam owns nearly 20,000 units in its apartment buildings but also roughly 5,000 sites in its manufactured housing communities. These assets are what make the stock so defensive, as they are constantly in demand.

In fact, dating all the way back to the start of 2007, Killam's average occupancy rate has been 97%. Furthermore, over that stretch, the stock has only experienced eight quarters of negative same-property [net operating income](#) (SPNOI) growth.

This performance record shows what a reliable investment Killam can be in the short-term and what an excellent growth stock it can be over the long haul. Plus, with KMP.UN trading below its historical averages, now is an opportune time to start or increase a position.

Currently, Killam trades at a price to its estimated net asset value of 0.79 times, which is well below its historical average of 0.94 times. So while Killam and the rest of these high-quality REITs are trading at such incredible discounts, they're certainly some of the dividend stocks to buy at a discount today.

## CATEGORY

1. Dividend Stocks
2. Investing

## **TICKERS GLOBAL**

1. TSX:CRT.UN (CT Real Estate Investment Trust)
2. TSX:HR.UN (H&R Real Estate Investment Trust)
3. TSX:KMP.UN (Killam Apartment REIT)

## **PARTNER-FEEDS**

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

## **PP NOTIFY USER**

1. cleona
2. danieldacosta

## **Category**

1. Dividend Stocks
2. Investing

## **Date**

2025/07/22

## **Date Created**

2022/09/14

## **Author**

danieldacosta

default watermark

default watermark