



The 2 Best REITs for Monthly Passive Income

Description

Are you looking for monthly passive income? Then it's likely you've already looked at [real estate investment trusts](#) (REIT). It's clear why. REITs must pay out 90% of net earnings to shareholders, which usually comes in the form of dividends. That can be a heck of a lot of cash.

Today, I'm going to zero in on the two REITs with the top monthly passive income. This is income that will come out each and every month just like a paycheck. What's more, they offer the highest amount of passive income through dividends. Let's get right down to it.

Granite REIT

Granite REIT ([TSX:GRT.UN](#)) tops the list, paying out \$3.10 per share annually. That comes to passive income of \$0.26 per share, per month. This is the highest of the REITs on the **TSX** right now for those looking for monthly income.

And Granite stock is a solid choice on its own. The REIT offers you value as it trades at just 4.41 times earnings. It also offers you security, as it would take just 46.7% of its equity to cover its total debt. Finally, it offers stability, as it invests primarily in industrial spaces — something we'll continue needing for years, if not decades, to come.

As Granite stock continues to grow through both organic expansion and acquisitions, it will also continue to be a prime purchase for those seeking dividends. Right now, if you were to put \$10,000 into Granite stock, that would bring in annual passive income of about \$419. That would come to about \$35 per month.

SmartCentres REIT

Next up, there's **SmartCentres REIT** ([TSX:SRU.UN](#)), which has the second-highest monthly passive income of the REITs. SmartCentres stock pays out \$1.85 per share annually. That comes down to passive income of about \$0.15 per month.

SmartCentres stock trades at just \$28, making it far easier to purchase more of this stock. What's more, the REIT still offers insane value. It currently trades at 4.38 times earnings and can cover its total debt with 99% of its equity. That's not as good as Granite but still far better than many stocks out there today.

In fact, SmartCentres stock hasn't been as pummeled as some other companies. Shares are down, sure, but only by 9.3% as of writing year to date. This comes down to the company's diversification of [properties](#) that continues to grow. While it mainly focused on commercial and residential, it's now expanding. This will include even retirement residences to bring in cash flow.

As the company continues to expand, so will its passive income offered. Right now, if you were to put \$10,000 into SmartCentres REIT, that would bring in about \$661 per year! That would come to about \$55 per month.

Bottom line

If you're seeking out passive income on a monthly basis from REITs, these are the top two I would consider. Both can cover their debts and offer valuable share prices. Plus, they have the bonus of providing you with the highest monthly income of REITs on the TSX.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

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