



## These 3 Canadian REITs Under \$10 Are Cash Cows for Passive Income

### Description

Real estate investment trusts (REITs) trade like [regular stocks](#) and have become the next-best alternatives to [owning actual properties](#). Since most REITs are dividend payers, investors hold them in their stock portfolios to diversify, earn passive income, and have added inflation protection.

Some of the established Canadian REITs on the TSX pay above-average dividend yields, although three stand out for their super-high dividend offers. At less than \$10 per share, you can generate substantial passive-income streams from these cash cows.

### Restructured as a pure-play industrial REIT

**Nexus Industrial** ([TSX:NXR.UN](#)) owns and operates industrial, office, and retail properties, but management has restructured it as a growth-oriented, pure-play industrial REIT. More than 70% of the total portfolio is multi-use industrial properties. Also, the warehouse space should deliver consistent cash flows because of e-commerce.

This growth-oriented \$713.44 million industrial REIT is looking forward to expanding to select U.S. markets where opportunities exist. The strategic partnership with RFA Capital, a prominent real estate investment company, provides a robust pipeline for accretive growth. If you take a position today, the share price is \$9, while the dividend offer is an attractive 7.15%.

### Strategic repositioning

Like Nexus, **BTB** ([TSX:BTB.UN](#)) owns and operates a diverse property portfolio (mid-market office, retail, and industrial). The concentration of this \$287.56 million REIT is in primary and secondary markets, where there are greater opportunities for accretive acquisitions.

Management's accretive acquisition program aims to expand BTB's real estate assets in its target markets and increase available income for distribution. The REIT reported impressive second quarter (Q2) of 2022, including strong occupancy (93.8%) and lease renewal (76%) rates.

In the same quarter, BTB's net operating income (NOI) and net income increased 13% and 155% year over year to \$17.59 million and \$18.24 million, respectively. According to its president and chief executive officer (CEO) Michel Léonard, the industrial sector remains at the centre of the REIT's strategic deployment, given the 100% occupancy rate in Q2 2022.

Léonard added the gradual reduction of ownership in retail buildings and outlying offices in favour of industrial buildings is part of BTB's strategic repositioning in 2022. At only \$3.38 per share, you can feast on the 8.88% dividend yield.

## Solid tenant profile

**Slate Office** (TSX:SOT.UN) owns and operates high-quality workplace real estate (a total of 55 investment properties) in North America and Europe. The management of this \$399.95 million REIT is optimistic about recovery following the impact of pandemic-induced lockdowns and the shift to a work-from-home environment.

Steve Hodgson, Slate's CEO, said core operations remain stable, notwithstanding the current macroeconomic headwinds. The diverse, higher-quality tenant base is a competitive advantage, because it increases the REIT's stability. About 66% of base rent comes from government and credit-rated tenants like the Canadian federal government, **BCE**, and **CIBC**.

Performance-wise, the real estate stock is up 0.33% year to date. As of this writing, the real estate stock trades at \$4.68 per share and pays a lucrative 8.36% dividend.

## Inflation busters

Nexus Industrial, BTB, and Slate Office are affordable and excellent passive-income sources. Any of these cash cows can help you endure the present inflationary period.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:BTB.UN (BTB Real Estate Investment Trust)
2. TSX:NXR.UN (Nexus Real Estate Investment Trust)
3. TSX:RPR.UN (Ravelin Properties 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. cliew
2. kduncombe

## Category

1. Dividend Stocks
2. Investing

## Date

2025/08/15

## Date Created

2022/10/31

## Author

cliew

default watermark

default watermark