



Love Passive Income? Here's How to Make Plenty of it as a Real Estate Investor

Description

Canadian investors have in all likelihood already heard that investing in [real estate](#) can be the best way to make significant passive income. Furthermore, this income can last you the rest of your life. And it's true! But there are a few significant downsides.

Do you really want to manage a bunch of properties? Do you want to be the one on call in the middle of the night when a toilet overflows? Or do you really want to pay a management company? Oh, and were you aware that houses are crazy expensive with ultra-high interest rates right now?

That's why there is a far easier way to become a real estate investor and still make significant passive income.

Invest in real estate investment trusts instead

Rather than looking for passive income from real estate itself, you can invest in a real estate investment trust (REIT). This provides you with a much smaller investment but could still lead to mega income over the next few years or even decades!

Now, just because you're investing in REITs doesn't mean it's an easy choice — especially right now. The entire industry was rocked by the pandemic. And there are certain areas that are more likely to wax and wane than others. That's why when it comes to choosing an REIT, a great option is to go for essential services.

What kind of essential services?

Think of the basics. What are the things that people will always need? This would include healthcare, industrial properties, infrastructure, and food, for example. With that in mind, there are a few REITs that you could invest in today and receive significant passive income.

There are four companies that fall into all these categories that you can consider for your passive

income portfolio. **Granite REIT** is in the industrial sector, **Brookfield Infrastructure Partners** is infrastructure, **NorthWest Healthcare Properties REIT** is healthcare, and **Slate Grocery REIT** is a grocery REIT.

Each of these REITs trades in value territory right now, with shares either down and/or with valuable price-to-earnings ratios. Plus, they all have significantly high [dividend yields](#) right now. You can pick up Granite trading at 8.58 times earnings and a 3.95% dividend yield. Brookfield offers a 3.9% dividend yield and is on par with where it was in January 2022. NorthWest trades at 5.78 times earnings with a 7.42% dividend yield. Finally, Slate trades at just 5.64 times earnings and has a 7.77% dividend yield!

Bottom line

An investor simply cannot decide one day they're going to buy a grocery store or a hospital for passive income. That's what you'll pretty much need to do if you want passive income that lasts in real estate, as there are too many variables in the everyday housing market.

So, instead, pick up REITs like these ones for substantial passive income. Not only will you get significant quarterly or even monthly payments, but those payments could last for decades thanks to being in essential industries.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

PARTNER-FEEDS

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