



Looking for Monthly Passive Income? These 2 REITs Are for You

Description

If you want to earn monthly passive income in Canada, you can consider investing a part of your hard-earned savings in [real estate investment trusts \(REITs\)](#) on the TSX. As REITs usually tend to distribute a large portion of their annual income as [dividends](#) to shareholders, they can help you earn healthy passive income each month.

In this article, I'll highlight two of the best Canadian REITs you can buy right now to hold for the long term.

Summit Industrial Income REIT stock

Summit Industrial Income REIT ([TSX:SMU.UN](#)) is a Dartmouth-headquartered open-ended mutual fund REIT with a [market cap](#) of \$4.2 billion. After rallying for eight consecutive years, its stock has seen a minor correction this year. While its share prices jumped by 314% in eight years between 2014 in 2021, it currently trades with about 5% year-to-date losses at \$22.25 per share. At this market price, the stock has a decent 2.6% annual dividend yield and distributes its dividend payouts on a monthly basis.

While many REITs have struggled to maintain high occupancy in the post-pandemic era, Summit maintains a solid 99.6% occupancy at the moment with an average lease term of 5.5 years. This is one of the key reasons why the trend in Summit REIT's financials looks impressive. Its revenue [jumped](#) by 19.8% YoY (year over year) in the September quarter to \$63 million. Strong revenue and occupancy helped the company increase its net rental income by 17.1% YoY last quarter to \$47.1 million.

During the quarter, Summit REIT also acquired two industrial properties with 174,790 square feet area and completed the construction of one property with 91,782 square feet area. These additions to its properties should help the company accelerate its financial growth further in the future and help its stock soar.

Choice Properties REIT stock

This list of [fundamentally](#) strong REITs in Canada looks incomplete without including **Choice Properties REIT** ([TSX:CHP.UN](#)) to it — especially if you're looking to generate reliable monthly passive income for years. This Toronto-based REIT has a market cap of about \$4.7 billion, as its stock trades at \$14.41 after losing nearly 5% of its value in 2022. Just like Summit REIT, Choice Properties REIT also distributes its dividend payouts each month and has a very attractive annual dividend yield of 5.1% at the current market price.

Choice Properties REIT has a well-diversified portfolio of high-quality commercial and residential properties across Canada. The list of its commercial portfolio tenants includes large organizations like **Loblaw Companies, Walmart, Metro, Dollarama, Royal Bank of Canada, and Scotiabank.**

In the September quarter, Choice Properties REIT's net income increased by \$784.4 million from a year ago with the help of its consistently improving occupancy rate. Notably, while its retail segment occupancy stood at 97.7% for the quarter, the occupancy at its industrial properties was even higher at 99%.

Amid growing demand, Choice Properties is continuing to expand its retail asset base, which should help it accelerate its financial growth in the coming years. Given all these positive factors and its growing list of quality tenants, you can consider adding this REIT to your portfolio to generate reliable monthly passive income in Canada.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
2. TSX:SMU.UN (Summit Industrial Income REIT)

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