



Buy REITs for Amazing Passive Income

Description

Generating substantial passive income is an attractive goal for many Canadian investors. While it can be easy to misstep while yield hunting, finding solid passive-income streams is something that's very achievable.

However, doing so requires careful preparation and decision making. Investors need to decide when dividends on offer seem too good to be true or when they're just good deals. Getting this right more often than not will lead to a successful passive-income strategy.

When it comes to harvesting income from dividends, REITs are among the most popular choices for Canadian investors. These investment vehicles typically offer large yields that are paid out on a monthly basis, making them ideal for this sort of strategy.

Today, we'll look at two Canadian REITs that could make for good additions to a passive-income plan.

RioCan

RioCan REIT ([TSX:REI.UN](#)) is one of the largest REITs trading on the TSX. It's a great choice for investors looking to build a passive-income stream, especially in the light of the current housing market conditions.

This REIT has traditionally been focused more on commercial real estate, but it's in the process of changing its allocation by adding some mixed use and residential properties. This will be music to the ears of investors looking at the current housing landscape.

These properties, scattered around hot real estate areas in the GTA, can benefit from the housing market conditions and help you make more money as an investor. Generating passive income with RioCan is going to be a very viable option going forward.

As of this writing, this REIT is trading at \$23.29 and yielding 4.38%. This type of monthly income is very solid when you consider it's attached to a diversified REIT such as this one.

Choice Properties

Choice Properties ([TSX:CHP.UN](#)) is another large Canadian REIT with potential to offer great passive income going forward. Like with RioCan, Choice is a commercial-focused REIT making inroads to diversify its holdings.

As Choice takes on more mixed-use properties, its portfolio of real estate holdings will only become more attractive for passive-income investors. The [REIT](#) also had a strong earnings report with rising revenues, and received upgrades from many analysts.

This REIT is a great choice, because not only is it looking to diversify its holdings, but its current commercial holdings are incredibly solid. That's because its locations are anchored by **Loblaw**, its grocery giant partner.

As of this writing, this elite REIT is trading at \$15.11 and yielding 4.9%. Once again, that's a solid figure for investors to consider.

Passive-income strategy

Both these REITs can be key components of a successful passive-income plan. These are two REITs with incredible commercial holdings and exciting plans for diversification.

The REIT market is a very interesting way for investors to build dividend income. It effectively allows investors to access real estate without all the overhead that typically comes with that.

As such, they are ideal options for investors focused on extracting passive income from their portfolios. Canadians looking to collect some solid [dividends](#) should keep an eye on these two hot REIT names.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)

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