



2 Under-the-Radar Stocks Offering Consistent Returns: Granite Real Estate Trust and TransForce Inc.

Description

Two diverse industries and two diverse companies offer shareholder returns to investors looking to diversify their portfolios with a REIT and/or trucking component. Research what each company has to offer you in the form of steady income.

1. Granite Real Estate Investment Trust

Granite Real Estate Investment Trust ([TSX: GRT.UN](#))([NYSE: GRP.U](#)) is involved in the ownership and management of mostly industrial, warehouse and logistics properties in North America and Europe. The company owns roughly 30 million square feet in more than 100 rental income properties.

Major tenants

Granite's principal tenant is **Magna International Inc.** ([TSX: MG](#))([NYSE: MGA](#)) and its operating subsidiaries. Other tenants include CardinalHealth, Siemens, UPS, Dole, Vistar, Bosch, and Ricoh, among many others.

Recently, Granite announced that it completed the disposition of its portfolio of eight Mexican properties (a total of approximately 2.4 million square feet) to a subsidiary of Magna International. The purchase price is US\$105 million (before closing adjustments). The portfolio was leased to Magna.

Lease extensions

In Q1 2014, Granite completed two lease extensions for the Graz, Austria properties. This extends the lease expiry dates from December 31, 2017 to January 31, 2024. These are the company's largest leases by square footage and accounted for approximately 17% of its revenue during 2013.

Distributions

Granite pays a monthly distribution. Earlier this month, it announced that its Board of Trustees declared a distribution on the company's stapled units of \$0.183 per stapled unit. Granite's dividend yield is

5.40% and its dividend rate is \$2.20.

2. TransForce Inc.

Operating across Canada and the U.S. via its subsidiaries, **TransForce Inc.** (TSX: TFI) is a North American leader in the transportation and logistics industry. Its subsidiaries service the Package and Courier, Less-Than-Truckload, Truckload, and Specialized Services segments.

Q2 2014 results

TransForce had total revenue of \$889.1 million, an increase of 12.2% from \$792.3 million in Q2 2013. This revenue primarily reflected a total contribution of \$102.3 million from the acquisitions of Vitran, Clarke Transport, and Clarke Road Transport.

Growth through recent acquisitions

Last week, TransForce announced that it signed an agreement to acquire **Contrans Group** (TSX: CSS), which is a varied provider of specialized transportation services.

Alain Bédard, TransForce's Chairman, President and CEO, said, "This acquisition provides exciting potential for TransForce, adding strong resources, an excellent client base, and importantly, very strong management."

Furthermore, TransForce announced earlier this month that a wholly owned subsidiary of the company completed the acquisition of the entire share capital of **Transport America**, which is a provider of truckload carriage and logistics services.

Dividends

TransForce pays dividends quarterly. In June, its board declared a dividend of \$0.145 per outstanding common share. The company's dividend yield is 2.10% and its five-year average dividend yield is 2.80%. Its dividend rate is \$0.58.

Consistent shareholder returns have been the norm with these two companies. Perform due diligence on each to ascertain if their future plans fit with your investing strategy.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:TFII (TFI International)

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Date

2025/07/19

Date Created

2014/07/31

Author
mugulini

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