



## Is Dream Office Real Estate Investment Trst a Sound Investment Option?

### Description

Investing in real estate investment trusts (REITs) is an easy way for investors to more or less become landlords of hundreds of properties.

REITs own and operate real estate locations that produce rental income. This rent translates into a monthly income for investors, and because the REIT is invested in multiple properties, investors are diversified across potentially hundreds of properties.

One of the better options for investors looking for a REIT is **Dream Office Real Estate Investment Trst** ([TSX:D.UN](#)). Let's take a look at Dream Office and why you should consider investing in the company.

### Location, location, location

Dream Office operates over 160 properties scattered across the country with occupancy rates currently over 90%.

Nearly 40% of these locations are situated in the Greater Toronto area with over 20 in the downtown core. One of those downtown properties is Scotia Plaza, the second-tallest building in Canada; Dream Office has considered selling half of its stake in recent weeks.

Beyond the Toronto area, Dream Office has locations in Alberta. Given the state of the oil and gas industry, occupancy rates in the province are on the decline, and some companies are even looking at sub-leasing office space to recover some costs.

### Diversification of locations and businesses

The reduced occupancy of locations in Alberta can be offset by the ultra-high occupancy rates in the red-hot market in Toronto and other locations in eastern Canada.

A mixed blessing for the Albertan locations is that many of the properties in Calgary are slated for renewal within the next few years, giving the oil and gas market ample time to recover before

companies make the difficult decision on whether to renew or not.

### **Growth prospects**

Dream Office currently trades at just over \$20, up an impressive 18.3% year-to-date. The monthly distribution is a handsome \$0.12 per share, giving the company an extremely impressive 7.30% yield. Even with the recent bump in share price over the past year, the company is still down by 20% when looking back over a full 12-month period.

In my opinion, Dream Office would make a great addition to any portfolio as the company has a great distribution and a great mix of locations in different areas of the country. Even if the company proceeds in selling some or all of its share of the Scotia Plaza, Dream Office will remain a sound investment option for years to come.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. TSX:D.UN (Dream Office Real Estate Investment Trust)

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### **Author**

dafxentiou

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