



## Digging into Dream Office Real Estate Investment Trst

### Description

Throughout 2016, shares of **Dream Office Real Estate Investment Trst** ([TSX:D.UN](#)) seemed, at times, more of a nightmare than a dream. The good news is, the nightmare seems to be behind us, and the best part of the dream is going to be found in early 2017.

Dream Office owns over 170 office properties across Canada. Year-to-date, shares of Dream Office are up a little over 11% in addition to the current 7.75% dividend yield. Depending on when the position was entered, certain investors have done very well.

At the beginning of the year, the monthly distributions were \$0.1866 per unit per unit, per month, and the share price was declining as a result of the unsustainable distribution.

In this particular case, once the distribution cut was cut, the shares increased in value. Management also terminated the automatic dividend-reinvestment plan for shareholders who wanted to reinvest their dividends. Almost all of the bad news came at once.

Months later, the company wrote down the value of a number of real estate properties in western Canada, closing the discount between the book value per share and the share price. With a lot of negative sentiment, shareholders did not warm up to this security for quite some time.

The wonderful Christmas gift offered by the company (a little early) was a breakout when the share price moved out of the \$16-17 range and up to the \$19 mark. With a share price and 10-day moving average breaking above the 200-day moving average, it is only a matter of time before the trend continues and we are officially in bullish territory.

As far as technical indicators go, the bullish or bearish indicator is when the 50-day moving average moves either above the 200-day moving average (bullish), signaling the stock is running, or if the 50-day moving average moves below the 200-day moving average (bearish), which signals the stock is falling.

Although technical indicators are not the reason for purchasing a stock, they can offer investors a perspective on the sentiment the market as a whole.

Having spun out the industrial and global real estate into separate vehicles in the past few years, management has had to make a number of unpopular decisions. However, throughout 2017, it will be interesting to see how Dream Office stock performs, since things in western Canada seem to be improving.

## **CATEGORY**

1. Investing

## **TICKERS GLOBAL**

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

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## **Category**

1. Investing

## **Date**

2025/08/18

## **Date Created**

2016/12/28

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