



The Dream Family

Description

Currently, there are three main companies in the Dream family which investors have the opportunity to select for investment. Those names are **Dream Office Real Estate Investment Trst** ([TSX:D.UN](#)), **Dream Industrial Real Estate Invest Trst** ([TSX:DIR.UN](#)), and **Dream Global REIT** (TSX:DRG.UN).

Dream Office Real Estate Investment Trst

While this name is very well known to readers, this company is the only one of the three which doesn't offer investors the opportunity to automatically reinvest the distributions/dividends into more units on a monthly basis. Given what became a major gap between the unit price and the company's tangible book value, management made the decision to cut the distribution and stop the privilege of auto-reinvestment to investors.

While this did not win any points with shareholders, the company has performed very well over the past year, and, to make things even better, shares still trade at a discount to tangible book value. The current dividend yield is approximately 7.8%.

Dream Industrial Real Estate Invest Trst

With a focus on North American-based industrial real estate, this stock offers investors a yield of approximately 8.5% and the ability to reinvest dividends into more shares. With the increasing share base, the current price to tangible book value is no less than 108%. Although shares offer a higher yield, investors are required to pay a little more to get the higher yield.

Dream Global REIT

The last of the three investments available within the Dream family is Dream Global REIT. The company, which operates largely in Germany, offers investors foreign exposure. Although the company is listed to the Toronto Stock Exchange, revenues are denominated in euros, and the majority of the properties are office buildings.

Currently offering investors a yield a little more than 8.25%, shares trade at a discount to tangible book

value close to 20%. While the foreign exchange has given investors this edge, the foreign exchange fluctuations don't necessarily mean the edge will be sustained. Should the Canadian dollar increase in value once again, the gap between the share price and tangible book value may easily and quickly be wiped out.

Conclusion

While the Dream family has several different offerings with something to everyone, investors should be aware the road traveled has not always been a smooth one. While investors are currently being offered an above-average dividend yield and, in certain cases, a purchase price at a discount to tangible book value, this should not be the type of investment one can make and forget about. Sometime investors have to be hands on.

While the dividend yields are nothing to sneeze at, the reality is, investors should only making a move if the sustainability of the payment is there over the long term.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:D.UN (Dream Office Real Estate Investment Trust)
2. TSX:DIR.UN (Dream Industrial REIT)

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Author

ryangoldsman

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