



3 Real Estate Stocks Perfect for a Retirement Portfolio

Description

For many Canadians, planning for retirement is paired with the challenges of home ownership. A report from Mortgage Professionals Canada recently pointed to declining home ownership in Canada. Since 2011 the rate of home ownership has dipped from 69% to 67.8%. New rules and regulations implemented to cool a red-hot housing market last year have also frozen tens of thousands of potential buyers out of the market. Policy makers have made [incremental changes](#) to mitigate this, but it is unclear whether this will reverse the trend into the next decade.

For younger generations, home ownership will be an expensive challenge, and if the current trajectory holds up, there could be many more renters in the future. Those building a retirement portfolio should be aware of these trends and target real estate stocks that offer stability and good income. Today, we are going to look at three stocks that fit the criteria.

Genworth MI Canada (TSX:MIC)

Genworth stock has climbed 10.5% over the past three months as of mid-afternoon trading on September 6. Shares are up 24.4% year over year. Genworth is an attractive target as the largest private residential mortgage insurer in Canada. Insured buyers have been subjected to a stress test since late 2016, and Genworth's bottom line has also been boosted by higher interest rates.

In the second quarter, Genworth reported that transactional premiums written jumped 52% from the prior quarter, while premiums earned rose 2% year over year to \$171 million. The stock offers a quarterly dividend of \$0.47 per share. This represents a 4.2% dividend yield.

RioCan REIT ([TSX:REI.UN](#))

RioCan stock is up 3.1% in 2018. Canadians REITs, RioCan included, have undergone a strategy shift in recent years. REITs are now looking to strengthen footholds in major markets while selling off assets in secondary markets. The tremendous growth of Canada's metropolitan areas in recent decades has pushed more renters into the city. Commercial real estate is [experiencing a boom](#), and investors should be ready to take advantage.

Committed occupancy for retail increased by 30 basis points in the second quarter to 97% and committed occupancy for RioCan's six major markets in Canada rose 10 basis points to 98% as at June 30, 2018. The stock offers a monthly dividend of \$0.12 per share, representing a 5.7% dividend yield.

Artis REIT ([TSX:AX.UN](#))

Artis stock has plunged 13.7% in 2018 so far. In the second quarter, Artis sold of properties in Calgary and Vancouver for a combined \$130 million. The disposition of properties resulted in a drop in reported funds from operations to \$0.32 compared to \$0.36 in the prior year. However, occupancy rate was solid at 91.6% compared to 90.6% as at March 31, 2018. Net income rose 94.5% year over year to \$74.9 million.

Artis also announced a monthly cash distribution of \$0.09 per share. This represents an attractive 8.8% dividend yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:AX.UN (Artis Real Estate Investment Trust)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)

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1. Msn
2. Newscred
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1. Investing

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Author

aocallaghan

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