

## 3 Top Stocks to Get Real Estate Coverage in Your Portfolio

### Description

Canadian investors often favour [financials](#), utilities, and energy stocks when putting together their TFSA or RRSP portfolios, but there are other sectors in the **TSX/S&P Composite Index** that are worth investigating.

Let's take a look at three companies connected to the real estate sector that might be interesting picks.

#### **Colliers International Group Inc.** ([TSX:CIGI](#))([NASDAQ:CIGI](#))

Colliers got its start in Australia in 1976, and has since grown to become a major global player in real estate services and investment management. Now based in Toronto, the company operates in 69 countries employing 13,000 people who spend their time helping real estate owners and investors manage their properties.

The company generated strong Q2 2018 results across its business units. Outsourcing and advisory revenue rose 11%, lease brokerage revenue jumped 23%, and sales brokerage revenue increased 8% compared to the same period last year.

Shareholders have enjoyed impressive returns with this stock. At the time of writing, the shares trade for \$104. Five years ago, investors paid just \$14 to get a piece of the action.

#### **Brookfield Property Partners** ([TSX:BPY.UN](#))(NASDAQ:BPY)

Brookfield Property Partners operates as the commercial property investment vehicle for **Brookfield Asset Management**. The goal is to purchase properties at a discount to replacement cost or intrinsic value and generate leveraged after-tax returns of 12-15% on the invested capital.

The company owns global real estate assets across a number of segments, including 150 office properties, 125 regional malls, 114 industrial properties, 87 multi-family buildings, 156 hospitality assets, 202 self-storage facilities, and 45 student housing properties.

The distribution currently provides a [yield](#) of 4.9%.

#### **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#))

Canadian Apartment Properties is one of Canada's largest residential landlords with interests in more than 50,000 units located in apartment buildings, townhouse complexes, and manufactured home communities located across the country, as well as in the Netherlands.

The company continues to grow through strategic acquisitions and is tapping demand for rental housing due to affordability issues in the Canadian home market.

Second-quarter 2018 results came in strong. Occupancy is running close to 99% and operating

revenue rose to \$171 million from \$157 million in Q2 2017. Funds from operations were \$0.53 per unit compared to \$0.46 per unit in the same period last year.

The payout ratio dropped from 70% to 62.7%, providing ample room for distribution increases. The current yield is 2.8%.

Investors have done well with this REIT in recent years. The trust units have risen from \$21 in early 2014 to the current price of \$47.

### **The bottom line**

Letting the pros do the work for you is a much easier way to invest in the real estate sector than buying properties and managing them directly. An equal investment in all three of these companies would give you exposure to a variety of real estate opportunities around the world.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:BPY.UN (Brookfield Property Partners)
2. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
3. TSX:CIGI (Colliers International Group)

### **PARTNER-FEEDS**

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aswalker

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