



Will This REIT Make You Retire Comfortably?

Description

Real estate investment trusts, or REITs, as they are more commonly referred to, represent one of the best ways for investors to reap the rewards of being a landlord, without actually needing to get a mortgage and tenants. Adding to that appeal is the reward of receiving what is very often a handsome monthly distribution, which, for many investors, could be reason enough to find a great REIT investment and set it up to buy and forget.

One such REIT that is [full of opportunity](#) and warrants a closer look is **Northview Apartment REIT** (TSX:NVU.UN).

Northview is unique in a world of similar REITs

There are two primary differentiators that apply to nearly every REIT on the market: the segment of the market that the REIT caters to, and the geographical mix. While there is a growing overlap among REITs in the case of the former, particularly with the emergence of mixed-use properties that have commercial and residential tenants, most REITs tend to focus on the major metro areas of the country, where prices and demand are high, while supply is low.

Northview has taken a unique approach to geography by providing emphasis on secondary and remote regions across the country. In terms of diversification, Northview has a significant portion of its portfolio situated in markets along the west of the country as well as in the northern markets in the Northwest Territories.

That's not to say that Northview doesn't operate in other areas; nearly a third of its portfolio is based in Ontario, and the company has properties in the GTA. Northview has also branched into both the commercial and industrial sectors over the past few years, providing yet another avenue of diversification for investors.

How does Northview stack up as an investment?

Northview is set to release results after the market closes today, but going on information from the last quarter, there are plenty of reasons to love where the stock is heading. In the last full fiscal year, Northview managed to beat the prior year by an impressive \$77.3 million, while also surpassing expectations in posting FFO of \$2.11 per unit for the year.

Those strong results only make up one-third of the investment opportunity. To complete the picture, we should also take a moment to recognize what Northview is doing to continue that level of growth and how the company fares in terms of providing shareholders with a handsome distribution.

In the case of growth, Northview invested a whopping \$400 million in fiscal 2018 that was used for both development and acquisition costs. Key among those new developments are Nanaimo and Kitchener properties set to add to Northview's already massive portfolio of 27,000 units.

Turning to Northview's distribution, the monthly payout, which has remained near a stable 75% of funds from operations, provides investors with an annualized \$1.632 per share, resulting in a very appetizing 5.78% yield, handily making the company one of the [best-paying](#) and most diversified REITs on the market.

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