



3 Top Recession-Resistant REITs Trading at Discounts to Buy Today

Description

In a market environment where interest rates are at near historical lows, a [recession is looming](#), and a sharp market correction is not far away, it pays for investors to weatherproof their portfolios. One of the best classes of stock to do this is real estate investment trusts (REITs). This is because they pay regular distributions with above-average yields and are typically less volatile than many other types of stocks, because they invest in real estate, which is generally a recession-resistant hard asset. Here are three REITs on sale today that every investor should consider to boost income and weatherproof their portfolios.

Alternative assets

Dream Hard Asset Alternatives Trust (TSX:DRA.UN) has gained 10% since the start of 2019 and pays a regular distribution yielding a juicy 5.5%. While it is more volatile than many other REITs with a beta of 0.93, it is still significantly less volatile than many other stocks and the broader bourse.

Dream Hard Asset provides exposure to a diversified mix of property assets with 51% of its portfolio comprised of development properties, 29% made up of real estate loans, and 20% invested in income-producing real estate. It has a solid balance sheet and a very low level of leverage with a debt to gross asset value of 18.1%.

What makes Dream Hard Asset a particularly compelling investment is that it is trading at a 14% discount to its net asset value (NAV) of \$8.55 per share, indicating that there is considerable upside available.

Management is focused on unlocking value for investors, recently completing a unit buyback where Dream Hard Asset acquired four million of its outstanding units at an average price of \$8 per unit. This, along with other initiatives aimed at creating value from its portfolio, will give earnings per unit a notable lift, making now the time to buy.

Diversified global assets

Brookfield Property Partners ([TSX:BPY.UN](#))(NASDAQ:BPY) owns a globally diversified portfolio of commercial real estate, focused on office and retail properties. It pays a regular distribution yielding a very juicy 7%, making it a must-own stock for income-hungry investors. Brookfield's portfolio includes a range of globally recognized marquee properties, which are highly resistant to economic downturns and continue to experience solid demand, despite the retail apocalypse and softer economy.

The partnership is focused on [delivering value](#) for unitholders by developing existing properties, recycling capital by selling non-core as well as mature assets, and making opportunistic, accretive acquisitions. While Brookfield Property has a leveraged balance sheet, the risk this poses is significantly mitigated by its relationship with **Brookfield Asset Management**, which provides the partnership with ready access to cheap capital.

Now is the time to buy Brookfield Property, because it is trading at a steep 40% discount to its NAV of \$35 per share, highlighting that there is considerable upside ahead.

Office portfolio

Slate Office REIT (TSX:SOT.UN), despite slashing its distribution by 47% earlier this year, is still yielding a very juicy 6.5%. That distribution since the cut is sustainable, as evident from Slate Office's reported second-quarter adjusted funds from operations payout ratio of 60.4%. Earlier in 2019, management introduced a strategy aimed at unlocking value for unitholders, including selling non-core properties, strengthening Slate Office's balance sheet, expanding its U.S. operations and commencing a unit buyback.

Impressively, for the second quarter 2019, Slate Office reported that same property net operating income grew for the sixth consecutive quarter and was 1.6% higher than a year earlier. The REIT finished the quarter with an occupancy rate of 87.2%, which was 0.4% higher than for the same period in 2018. What makes Slate Office a particularly compelling investment is that it is trading at a notable 38% discount to its NAV of \$8.53 per unit, underscoring the considerable upside available, which is why now is the time to buy.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BPY.UN (Brookfield Property Partners)
2. TSX:MPCT.UN (Dream Impact Trust)
3. TSX:RPR.UN (Ravelin Properties REIT)

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