



1 REIT Stock That Is a Screaming Buy Right Now

Description

Any smart investor will know better than to shy away from the opportunity to invest in a stock that offers a high yield and a decent long-term capital appreciation. The real estate market is lucrative. Owning and operating investment properties, however, is a hassle that not many people like to undertake.

Are you interested in real estate but don't want the issues that come with it?

Stocks of companies from the real estate sector allow investors to reap the advantages of the industry without having to own any property. **Summit Industrial Income REIT** ([TSX:SMU.UN](https://www.smu.un.ca)) is the only company in the Canadian real estate sector that presents investors with the option of high-growth stocks.

There are many reasons I believe that Summit Industrial is an excellent buy-and-hold option for the [lazy landlord](#). Let us take a better look at the REIT, so you can better determine whether or not you should consider the stock as a part of your investment portfolio.

Reaching for the summit

Based out of Brampton, Ontario, Summit Industrial is a mutual fund trust that is involved in renting industrial properties. The company's portfolio consists of commercial real estate properties in Western Canada, Quebec, Atlantic Canada, and, of course, Ontario. The company has a market capitalization of \$1.73 billion upon writing, five-year average profit growth of 77.35%, and a five-year total return of 100%.

Summit Industrial is also paying [juicy dividends](#) with a yield of 4.27% at the time of this writing. It means investing \$10,000 in the company's stocks can give you a return of \$427 yearly through dividend payouts alone. Between the dividends and the appreciation of the company's share prices, you are potentially looking at a pretty hefty sum in a few years.

Constant growth

Summit Industrial is an excellent stock to consider, because it has carved out a niche within the real estate industry. The company targets a specific market that needs to use light industrial properties. Due to its place in the market, the company has seen its revenues increase from \$29 million to \$92 million from the fiscal years 2014 to 2018.

Summit Industrial has several reasons to target the particular aspect of the real estate sector. The company found that light industrial properties see less volatility in rent compared to other industrial property types. Subsequently, the properties also entail lower operating costs. Since there are no substantial industrial activities there, the expenses of utilities and depreciation are much lower compared to those for heavy industrial use.

The fact that these properties are much easier to market adds to the overall profitability of the company. Another great reason why Summit Industrial focuses on these properties is the potential customer base that they have. A wide range of businesses can use light industrial properties, meaning that Summit has plenty of people that it can cater to.

Foolish takeaway

Summit Industrial Income REIT stock is trading at \$12.65 per share at the time of this writing. The current value is up by 34% from the beginning of the year, and the company's shares have gained just over 109% in the past five years. With the potential to grow further, I feel that Summit Industrial could be a great addition to your portfolio right now.

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1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

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1. TSX:SMU.UN (Summit Industrial Income REIT)

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