



## Canadians: Now Is the Perfect Time to Invest in REIT Stocks for 2020

### Description

When it comes to investment talks, stocks often steal the show and overshadow the real estate market. However, with the Canadian real estate [market in a rebound](#), real estate investment trusts (REITs) present a temptingly safe and high return investment source. As 2019 comes to an end, 2020 is looking like a prime time to be investing in REITs for the following year.

### Get investing while the market is hot

The Bank of Canada is expected to hold the current interest rates of 1.75% through to the end of next year in anticipation of a global economic slowdown. This is good news for REIT investors, as historically, when interest rates have been low, REIT yields have been high.

With a density of just four people per kilometre, the overwhelming majority of Canada remains vacant and underdeveloped. In recent years, immigration has surged to an average of around 300,000 people arriving every year. Couple this with a low interest rate, and Canada's real estate market is expected to experience a massive boom in the coming years.

Due to this, Canadian REITs are expected to outperform most of its global counterparts over the next year. These are not only my own thoughts but the conclusion of leading experts who met at the 15th annual Real REIT conference held earlier this year.

### The top performers

REIT companies have been [off to a fantastic start this year](#). Some of the best-performing ones include Ontario-based REIT **True North**, which saw its stock values climb up by 32%, and revenue rise to \$25.6 million in Q3 2019 compared to \$22.5 million last year. With the last monthly cash distribution of \$0.0495 per share, True North presents a tasty yield of nearly 8.5%.

**Automotive Properties** is another top-performing REIT worth looking into. The company's focus is on the ownership and acquisition of profiting automotive dealership properties across Canada. This year

saw its stock soar by 41% and give investors an attractive yield of 6.7%.

However, **Dream Industrial** has been the biggest top performer in the market, showing the highest returns at a solid 47%. This was mainly due to the renewed optimism in the company's performance as it finished the year with relatively low debt and an exceptional occupancy rate of around 96.2%.

With its strategy of developing its existing assets and expanding its presence in the massive U.S. market, Dream Industrial presents a safe but highly profitable investment, giving off a decent yield of 5%.

## Foolish takeaway

Due to a low interest rate environment and strong growth fundamentals, REITs present an excellent opportunity to diversify your portfolio and gain an additional source of income. The numbers don't lie. Leading financial pundits forecast annual average returns for REITs to be as high as 10%.

Just be sure, when investing in REITs, think long term. While there may be periodic downturns, their long-term growth fundamentals look strong and relatively consistent. Since the housing market is going through a bubble, I recommend sticking with commercial and industrial REIT for now.

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