Hold This Recession-Resistant Stock for 50 Years

Description

Dream Hard Asset Alternatives Trust (TSX:DRA) is an open-ended company focused on [hard asset alternative investments] comprising real estate development, real estate lending, and income-producing real estate.

The company is managed by Dream Asset Management Corporation, a subsidiary of **Dream Unlimited Corp**., one of Canada's leading real estate companies, with approximately $16 billion of assets under management in North America and Europe.

In 2018, Dream Unlimited acquired control of the company, for accounting purposes based on Dream Unlimited's increased exposure to variable returns resulting from increased ownership through units held in the company and from new real estate joint venture agreements.

The company's operating segments from consist of development and investment holdings, lending portfolio and income properties.

Development and investment holdings consists of participating mortgages receivable, and direct and indirect investments in developments and income-producing properties which includes certain income-producing properties with redevelopment potential.

The lending portfolio consists of interest-paying mortgages, mezzanine and corporate loans. The company's income properties consist of a portfolio of office and commercial real estate properties in Canada.

The company strives to provide investors with access to an exceptional portfolio of [real estate development opportunities] and alternative assets that would not otherwise be available in a public and fully transparent vehicle.

These assets are managed by an experienced team with a successful track record in these areas. The company is also looking to build and maintain a growth-oriented portfolio and provide predictable cash distributions to shareholders on a tax-efficient basis.

Management has indicated the desire to grow and reposition the portfolio to increase cash flow, shareholders' equity and net asset value over time.

The company recently disposed of $131.7 million in gross assets, consisting of the company's Canadian renewable power portfolio and the co-owned industrial buildings in Western Canada.

The company is continuing to progress through sale negotiations on the U.K. wind portfolio and additional non-core assets. In Q3 2019, the company completed a substantial issuer bid, which was the first tranche of the company's commitment to repurchase up to $100.0 million of units. The company purchased for cancellation 4.0 million shares for an aggregate purchase price of $32.0 million.

Approximately 80% of the company's book equity is comprised of core investments across Toronto, the Greater Toronto Area, Ottawa and Gatineau.

In Q3 2019, the company entered into an agreement with Anishnawbe Health Toronto to develop a mixed-use project within the Canary District, adjacent to the West Don Lands and Distillery District in downtown Toronto.

The company also closed on $357 million of financing related to a purpose-built rental community in the West Don Lands as part of the Rental Construction Financing initiative.

Construction on the first block began in 2019 and will comprise 770 rental units, of which 30% are affordable. The community will focus on accessibility, affordability and sustainability.

The company also has a 25% interest in the West Don Lands development alongside the above noted partnership group. The company's equity investment in Axis Condominiums in downtown Toronto has been very successful, with an internal rate of return of 60%.

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