



## Millennials: Can't Afford a House in 2020? Buy Stocks Instead

### Description

Home ownership has long been considered an ideal way to build wealth for Canadians. The real estate market presents an opportunity for homeowners to capitalize on growing property prices to increase their total net worth.

A lot of millennials are in a slump because home ownership is fast becoming an unattainable dream for them. 80% of millennials report that they want to own a home. The sad reality is that less than 30% of them are capable of owning homes. The younger generation is struggling to keep up with the inflation and increasing prices of residential real estate.

### Increasing home ownership costs

The housing market in Canada is fast [becoming a bubble](#). The cost of living in major Canadian cities like Vancouver and Toronto is becoming outrageous. According to UBC's Global Real Estate Bubble Index in 2019, both major Canadian cities have made it to the list of the top 10 segments at the bubble-risk rating for the past three years.

Increasing restrictions on mortgage rules and the introduction of a foreign buyers' tax is making an insignificant impact on controlling the rising prices of properties in both cities. Vancouver is reportedly the most expensive city in Canada, and Toronto is second on the bubble-risk rating list. There is little reason to believe that home ownership can be more than a pipe dream for millennials going forward.

### Real estate investment trusts

While home ownership might not be a possibility, millennials can leverage other methods to build massive wealth. Owning a home is understandably the most significant investment an individual can make, but it is not the only method of long-term wealth creation. Buying high-quality stocks trading on the TSX can help you accumulate a significant fortune in your lifetime.

Real estate investment trusts (REITs) are stocks that operate in the real estate sector. Purchasing the

shares of a company like **RioCan Real Estate Investment Trust** ([TSX:REI.UN](#)) can help you achieve your wealth-building goals. It will also give you exposure to Canada's booming real estate market without the need of actually owning properties yourself.

RioCan owns, manages, and develops retail-centric properties in highly populated areas in leading cities across the country. Its portfolio consists of properties located in prime locations across Vancouver, Calgary, Toronto, Ottawa, Montreal, and Edmonton.

With over 200 properties in prime locations, some of the most notable names among its clients are **Walmart**, **Canadian Tire**, and **Metro**. Its diversified tenant base for its retail properties allow it to earn substantial revenue enable the company to generate reliable and predictable cash flow.

The company's total enterprise value of almost \$15 billion makes it the largest REIT in the country. With a share price of \$27.39 at writing, the RioCan stock pays its shareholders dividends at a yield of 5.26%.

## Foolish takeaway

REITs present you the opportunity to get exposure to the real estate sector. The company [invests in real estate properties](#) and lets you get into the real estate industry at a more affordable rate as opposed to buying properties. I think investing in high-yield stocks like RioCan offers millennial investors a chance to build real estate wealth without the need to become homeowners.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:REI.UN (RioCan Real Estate Investment Trust)

### PARTNER-FEEDS

1. Business Insider
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### Date

2025/09/09

### Date Created

2020/01/28

### Author

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