



Market Rally 2020: 1 REIT Worth the Buy

Description

If there's one thing investors have learned from this recent market crash, it's that e-commerce isn't just here to stay, it's here to flourish. While most of the market tanked during this recent market crash, a market rally is now well underway. Those ahead of the curve? Anything and everything related to the e-commerce industry, and that includes real estate investment trusts (REITs).

It's true that overall, REITs are probably not where you would look first during a market crash. Even during this market, rally many have suffered. People just aren't investing in properties when there is the potential for the markets to sink lower. But there are some exceptions.

Right now, investors should be looking to the [world of e-commerce](#). In the case of REITs, that comes down to light industrial properties. These properties are set to soar during this market rally, as light industrial properties are where e-commerce businesses are storing products for shipment. And right now is a huge turning point.

In 2019, the e-commerce retail market was supposed to top US \$25 trillion, but that didn't happen. Some thought the boom we expected would be a few years off. Globally, e-commerce sales came to US\$3.5 trillion, up 18% from 2018, taking up 14.1% of global retail sales.

However, then the coronavirus pandemic swept the entire world. People have been confined to their homes for months in some cases. The tragedy has left many seeking e-commerce as a way to quite literally stay safe.

Now, analysts might be changing their tune with this market rally. As of writing, the projections remain at US\$4.2 trillion for 2020, and could reach US\$6.5 trillion by 2023. But with so many people turning to online shopping, those numbers could soar.

The market rally REIT

When we do see a market rally, investors will want to have a stock like **WPT Industrial REIT** (TSX:WIR.U) in their portfolio. This stock has everything I've mentioned. It focuses on [light industrial properties](#)

, forming partnerships with many FAANG members who will use its properties to store and ship out products via e-commerce websites.

But the company is only in its infancy. As of writing, the company owns 102 industrial properties that make up 31.2 million square feet of leasable area, across 20 states in the United States. The company boasts 99% occupancy, and is continuing to expand its portfolio to make up even more leasable space.

The stock is a buyer's dream during a market rally, as it currently trades at \$10.94 as of writing, giving it a potential upside of 34%. On top of that, it has a dividend yield of 7.03%, which comes out to \$0.76 per share per year.

To give you some idea of what this could look like in a year's time, if the stock made it to fair value a \$10,000 investment could be worth \$13,390 with dividends of \$694.64.

Bottom line

Investors just haven't caught on to how great this stock can be. REITs provide amazing dividends, and this one also has the growth potential that many investors would drool over. It has a balance sheet other REITs would idolize, yet it still added US\$600 million to its credit facility in response to the current market.

In short, the company is strong, stable, and financially responsible. If there's one stock you can buy for both growth and stability during this market rally, it just has to be WPT Industrial.

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Date

2025/08/27

Date Created

2020/04/23

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