
# 2 TSX Real Estate Stocks to Buy Today

## Description

If you are looking for a top defensive industry to invest in, one of the best is residential real estate. Residential real estate represents some of the most reliable **TSX** stocks to buy in an environment like this.



Rent is one of the first things consumers need to pay for each month, and although there have been significant job losses in Canada, the Canadian Emergency Response Benefit can help people pay their essential bills.

So, just as in a usual recession, the cash flow of residential real estate companies will be some of the least affected through a recession.

Despite that, some of these stocks have been sold off to extremely attractive valuations. And this is offering investors a significant opportunity to buy these top stocks for the long term.

The two TSX real estate stocks I'd be considering buying today are **Killam Apartment REIT** (TSX:KMP.UN) and **Minto Apartment REIT** (TSX:MI.UN).

## Income real estate stock

Killam is the real estate stock I'd recommend to TSX investors who are looking for a higher yield. As of Thursday's close, the stock was yielding just over 4%.

Killam has seen only minimal impact to its business so far. In April, the stock collected roughly 97% of its rents. This includes its apartment and MHC portfolio, as well as its commercial properties (which only make up 6% of revenues).

Where Killam is being affected is through the deferral of some of its developments and renovations.

Shutdowns and restrictions on construction, in addition to supply chains that have been impacted, have caused Killam to pause the initialization of any new projects this year. This has led

Killam to revise its renovation target down for the year.

While this is slightly negative in the short term, it could also free up some cash for the stock.

Currently, it has roughly $75 million available in credit facilities and another $75 million in unencumbered assets.

Killam is the perfect TSX real estate stock to ride out this uncertain environment. It can stay resilient in the short term while providing investors with attractive dividend payments.

## Growth real estate stock

Although Minto still offers a 2.2% dividend, its real potential for the last few years has been in its growth. And although some of its development projects have been put on hold, in terms of cash flow, the business has seen little impact.

In April, Minto saw roughly 97% of its rent collections and had a total portfolio occupancy rate of 96.8%. Furthermore, Minto has considerable liquidity, of approximately $200 million, so the company is in great shape to weather the current environment.



A lot of the strength of Minto comes from the core markets it operates in. 89% of its suites are in Ottawa, Montreal, and Toronto, with just 11% in Alberta. The strong diversification of its properties and small weighting in Alberta are a major positive in these conditions.

Going forward, once the worst is behind us, Minto can continue its developments and renovations, which add significant value for shareholders.

For now, though, the real estate stock is one of the best investments on the TSX to protect your capital and return you some passive income.

## Bottom line

These two residential real estate stocks are some of the best investments on the TSX. By gaining exposure today, you position yourself well for a post-pandemic world where these stocks can continue to grow unitholder value rapidly.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. TSX:KMP.UN (Killam Apartment REIT)
2. TSX:MI.UN (Minto Apartment Real Estate Investment Trust)

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1. Business Insider

2. Msn
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danieldacosta