



## ALERT: Best Real Estate Value Stock in Canada

### Description

**Choice Properties** ([TSX:CHP.UN](#)) is the owner, manager and developer of a [high-quality real estate portfolio](#) of commercial, retail, industrial, office and residential properties across Canada. Choice Properties owns a portfolio comprising 726 properties with a total area of approximately 66 million square feet. The company's portfolio includes 570 retail properties, 110 industrial properties, 16 office complexes, four multi-family residential buildings and 20 development properties.

The company has a price to earnings ratio of 6.74, price to book ratio of 1.22, dividend yield of 5.7% and market capitalization of \$4.2 billion. Debt is high at Choice Properties as evidenced by a debt to equity ratio of just 3.32. The company has excellent performance metrics with an operating margin of 67.42% and a return on equity of 19.31%.

The company's retail portfolio is primarily focused on necessity based retail tenants. The retail portion of the company's portfolio serves as the foundation for maintaining reliable cash flow for Choice Properties. In addition to having a national footprint concentrated in Canada's largest markets, stability is attained for the company through the strategic relationship and long term leases with largest retailers.

The industrial portfolio is centered around distribution facilities, warehouses and buildings used for light manufacturing of a size and configuration that will readily accommodate the diverse needs of a broad range of tenants. Choice Properties' focus in this sector is on large, purpose-built distribution assets and high-quality industrial assets. The properties are located in target distribution markets across Canada, where Choice Properties can build up critical mass to benefit from management efficiencies and to accommodate the expansion or contraction requirements of the tenant base.

The office portfolio is focused on large, well-located buildings in target markets, with an emphasis on the downtown core in some of Canada's largest cities. As the managing partner, Choice Properties' overall returns are enhanced through the generation of fee income from the day-to-day management and leasing activities of these properties.

Rental residential real estate provides additional income diversification and generates further investment opportunities for Choice Properties' asset base growth. Many of these opportunities to

develop residential properties are by increasing the density in existing retail sites with residential buildings. Choice Properties' portfolio of residential properties is located in Canada's largest cities and includes both newly developed purpose built rental buildings and residential-focused mixed use communities, many of which are in close proximity to public transportation.

Choice Properties' pipeline of development opportunities includes major mixed use development in urban markets and residential development. The company's timelines for development projects span many months, or in some cases, several years, and tenants are expected to take possession when individual units are developed. Choice Properties expects to invest a total of approximately \$565 million by the end of 2022.

Further, Choice Properties employs experienced and regionally focused staff to actively manage the company's properties. The company expects to increase cash flow and portfolio value through initiatives to enhance operating performance, including delivering superior service to tenants, maintaining high levels of occupancy, effective capital investment in its properties and disposing of, or redeveloping, non-core assets. The stock could present a bargain at current levels.

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