



ALERT: Buy Canada's Best Real Estate Stock Now

Description

Dream Industrial Real Estate Investment Trust ([TSX:DIR.UN](#)) owns and operates a [diversified portfolio of distribution and urban logistics properties](#) located in Canada, the United States (US) and Europe. The company's properties are located in desirable business parks, close to urban population centres, and situated close to highways. The in-place and committed occupancy rate across Dream Industrial's portfolio is in excess of 95%. The company's portfolio consists of 265 primarily distribution and urban logistics income-producing properties comprising 26 million square feet of gross living area.

The company has a price to earnings ratio of 8.79, price to book ratio of 2.52, dividend yield of 5.41% and market capitalization of \$2.24 billion. Debt is very sparingly used at Dream Industrial, as evidenced by a debt to equity ratio of just 0.49. The company has excellent performance metrics with an operating margin of 63.83% and a return on equity of 14.26%.

Dream Industrial manages the business to provide [growing cash flow](#) and adapts to changes in the real estate industry and the economy. The company's diversified, growth-oriented portfolio of industrial distribution and warehousing properties provides predictable and sustainable cash distributions to unitholders.

The company's strategy is to grow and upgrade the quality of Dream Industrial's portfolio by investing in key markets to generate stable cash flows and grow net asset value over the long term. Dream Industrial actively manages assets to optimize performance, maintain value, retain and attract tenants and maximize cash flows to unitholders.

Dream Industrial employs experienced staff and ensure that the company's assets are the most attractive and cost-effective premises for tenants. The company operates the business in a disciplined manner with a strong focus on maintaining a conservative financial structure. Management actively monitor the mortgage maturity profile, maintain a conservative debt ratio and allow assets to generate cash flows sufficient to fund distributions.

Dream Industrial actively engages in diversifying the company's portfolio and strengthening the company's tenant profile to mitigate risk. This should reduce the company's cost of capital, allow it to

both refinance existing mortgages at competitive rates and increase Dream Industrial's ability to competitively bid on acquisition opportunities. The company has experience in each of Canada's key real estate markets, which provides it with the flexibility to pursue acquisitions in whichever Canadian markets offer compelling investment opportunities.

Recently, Dream Industrial has been investing in highly functional properties located in major industrial centres that are well leased on a long-term basis to quality tenants. When evaluating acquisitions, the company considers a variety of criteria such as replacement cost of the asset and the asset's appeal to future tenants.

In 2020, the company announced an expansion plan into the European light industrial and logistics market. The rationale was that such a move would allow it to pair high-quality, well-located industrial properties that can generate higher yields and above average returns with an attractive cost of debt with rates that are over 200 basis points lower on a comparative basis than North American financing. This strategy has worked out perfectly, thus far.

Overall, Dream Industrial's execution of real estate projects has been excellent. This should result in above average returns over the long term.

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