



Easy Landlord: Add Real Estate to Your Portfolio for Just \$100

Description

Housing is almost a national sport in Canada. If you're not a homeowner or investor yet, it's something you probably think about a lot. Unfortunately, the price of entry onto the property ladder is at a record high. The real estate sector has never been this hot before.

Canada's post-COVID economic recovery, coupled with income and population growth are driving the sector higher. This means real estate is one of the key financial engines of our economy and must be part of your portfolio. Luckily, there's a way to add exposure with relatively little upfront capital.

Real estate investment trusts (REITs) are essentially publicly listed baskets of real estate. Units of these REITs represent part-ownership of a portfolio of professionally managed rental properties across the country. If you're a conservative, income-seeking investor, these REITs deserve your attention.

Top REIT

Canadian Apartment Properties REIT ([TSX:CAR.UN](https://www.car.un.ca/)) is a top pick in this asset class. The REIT has been on an impressive run in recent weeks, as it continues to recoup losses accrued in 2020. The bounce-back has coincided with the ongoing economic recovery in the aftermath of the COVID-19 pandemic.

As the largest residential landlord in the country, CAR offers wider diversification and better valuations than most of its peers.

CAR's top-notch portfolio includes residential units, purpose-built rental apartments, and townhouse suites. The diversified nature of its holdings, spread across Canada, the Netherlands, and Ireland, makes this REIT a compelling opportunity.

Canadian Apartment Properties offers an essential product that will always be in demand. Likewise, its funds from operations remain incredibly stable and are likely to continue rising, especially with the economy recovering from the shackles of COVID-19.

The Bank of Canada reiterated that interest rates could remain at record lows until 2022 presents a unique opportunity for the real estate industry to bounce back. This means REITs like CAR have the

opportunity to raise cheap capital and bolster their portfolios for decades.

CAR's valuation

With interest rates pegged at record lows, more people should buy homes, which is expected to push rents and home prices higher. A housing market boom amid the record low interest should boost CAR's book value and net income in 2021.

A dividend yield of as much as 2.69% should entice income-focused investors eyeing opportunities in the real estate industry. As it stands, Canadian Apartment Properties is a low-risk, robust, long-term dividend stock in the real estate industry.

Bottom line

Your portfolio deserves a dose of Canadian real estate. The country's economic growth, immigration, and rising incomes are all reflected in the [price of housing](#). Unfortunately, the market has become unaffordable for most.

The easier and cheaper way to add real estate to your portfolio is to invest in REITs. Canadian Apartment is a prime example of a well-diversified residential REIT with excellent prospects.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:MAGT (Magnet Forensics)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Date

2025/09/09

Date Created

2021/02/21

Author

vraisinghani

default watermark