



**ALERT: This Cheap Real Estate Stock Could Rise 1,000%**

## Description

**Melcor Real Estate Investment Trust** ([TSX:MR.UN](#)) owns a portfolio of [income-producing properties](#) comprised primarily of retail, office, and industrial properties. The company's portfolio is comprised of properties located in western Canada, specifically in the metropolitan areas of Edmonton, Calgary, Regina, and Kelowna.

The real estate investment trust (REIT) focuses on generating stable cash distributions on a tax-efficient basis and enhancing the value of the REIT's assets. The company's goal is to maximize long-term unit value through active asset and property management. It accomplishes this by expanding the asset base of the REIT and increasing cash flow, primarily through acquisitions and property improvement, through targeted and strategically deployed capital expenditures.

The REIT is externally managed, administered and operated by **Melcor Developments** ([TSX:MRD](#)) pursuant to an asset management and property management agreement. Melcor is a diversified real estate development and management company.

## Acquisition growth strategy

The REIT's strategy is to invest in a [diversified portfolio](#) of income-producing properties that provide stable monthly cash distributions to unitholders. The REIT's strategy for growth involves acquiring and improving properties, and divesting properties after adding meaningful value in order to redeploy capital in acquisition and densification opportunities.

The company's acquisition growth strategy is focused on increasing penetration in existing geographic markets to exploit competitive advantages. The REIT focus on several channels to support the company's acquisition growth strategy.

## Robust developmental pipeline

Based on projects currently being developed or planned to begin in the near term, Melcor's pipeline is

expected to yield approximately 5.53 million square feet (SF) of gross leasable area (GLA) over the next decade. Under the development and opportunities agreement, the REIT has a priority right to acquire assets and has the opportunity to participate in investment opportunities, joint ventures, and mezzanine financing on Melcor projects. Melcor currently has about 145,000 SF under development and continues to advance projects through the approvals process. Melcor owns about 388,000 SF of developed property in Canada.

The REIT acquires accretive income-producing properties from third parties and actively seeks strategic property acquisitions. Target acquisitions include properties with potential to increase value through expansion, redevelopment or improved property management. Recently, the REIT acquired a single tenant retail property with warehouse space on three acres for \$13 million.

## Significant asset diversification

Each acquisition has been consistent with the company's acquisition growth strategy and has helped to diversify the REIT's portfolio. In contemplating and completing strategic acquisitions, the REIT has the ability to quickly execute on opportunities. The REIT is also focused on improving existing assets through property management and asset enhancement.

## Operating efficiencies

The goals of the REIT are to maximize occupancy and tenant retention and increase rental income. To ensure that occupancy rates remain high and that the REIT's space is leased at attractive rates, it provides consistent, high-quality service and has developed a customer-care program for clients. The REIT adopts efficient property management to optimize operating costs, occupancy, and rental rates.

The REIT also provides significant redevelopment expertise with the ability to undertake property expansion and redevelopment opportunities, where appropriate, in compliance with the investment guidelines.

### CATEGORY

1. Investing

### POST TAG

1. canada
2. Editor's Choice

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