



## 3 Industrial REITs You Could Buy for 2021

### Description

Industrial REITs, or real estate investment trusts, are a group that covers warehouses, storage facilities, and factories. As REITs have to pay out a significant portion of their taxable income as dividends, you can consider this asset class to derive a stable stream of recurring income. Industrial REITs are part of a reliable sector that generates stable cash flows and are generally recession-proof.

We'll look at three Canadian industrial REITs that you can buy for 2021.

### Summit Industrial Income REIT

The first stock on the list is **Summit Industrial Income REIT** ([TSX:SMU.UN](https://www.smu-reit.com/)), a company that is focused on acquiring and managing a portfolio of light industrial properties across Canada. Light industrial properties are often single-story properties located near major cities and close to transportation links.

These properties are home to activities that include warehousing and storage, technical support, light assembly, and shipping, among others. Summit REIT focuses on light industrial properties due to the stability of this sector.

These properties have historically generated income returns at or near the top of the Canadian real estate industry due to lower market rent volatility and lower operating costs. Further, these properties have a diverse tenant base and benefit from low capital expenditures and maintenance costs.

Summit Industrial REIT has a forward yield of 3.64%. In Q4 of 2020, the company managed to increase revenue by 34.3% year over year and experienced high occupancy levels of 98%. In the last year, Summit Industrial REIT acquired 23 light industrial properties, adding 1.7 million square feet of gross leasable area.

### Dream Industrial REIT

Another open-ended REIT is **Dream Industrial REIT** ([TSX:DIR.UN](#)), which owns and operates a portfolio of 266 industrial properties consisting of 26.6 million square feet of gross leasable. While it has established a strong presence in North America, Dream Industrial is now eyeing growth in European industrial markets. In 2020, Dream Industrial spent \$623 million to acquire properties in Europe.

The REIT's diluted FFO (funds from operations) rose 3% year over year to \$0.19, while its total number of units was up 12%. It recently entered two leases with **Amazon** subsidiaries in Kentucky and Ontario, which makes the tech giant Dream Industrial's sixth-largest tenant in terms of gross leasable area.

Dream Industrial REIT stock has a forward yield of 5.1%, and with a committed occupancy rate of 95.6%, investors are well poised to enjoy dividend payouts without having to worry about cuts.

## WPT Industrial REIT

The final company on the list is **WPT Industrial REIT** (TSX:WIR.UN): a stock that has a forward yield of 4.7%. The REIT acquires, develops, manages, and owns distribution and logistics properties in the U.S.

Its operating subsidiary indirectly [owns and manages](#) a portfolio of properties in 20 states south of the border, consisting of 35.6 million square feet of gross leasable area. In the December quarter, WPT collected 99.8% of the rents billed while its occupancy rate stood at 98.2%.

During the earnings call, company CEO Scott Frederiksen [said](#), "We delivered record portfolio growth through \$746 million of off-market accretive acquisitions, strong rent collections and positive releasing spreads. We also enhanced future growth potential by expanding our private capital funding resources and commenced a record \$357 million of development projects during the year."

### CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

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2. TSX:SMU.UN (Summit Industrial Income REIT)

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### Date

2025/08/14

### Date Created

2021/04/12

### Author

araghunath

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