



ATTENTION: Buy 1 High-Growth Industrial Stock in 2021

Description

WPT Industrial Real Estate Investment Trust (TSX:WIR.U) acquires, develops, manages, and owns distribution and logistics properties located in the United States. It owns or manages a [portfolio of properties](#) across 20 U.S. states consisting of approximately 35.6 million square feet of gross leasable area (GLA) and 108 properties.

Robust internal growth

The real estate investment trust (REIT) seeks to improve the performance, value, and long-term cash flow of its existing portfolio through a number of activities, including increasing rental rates. The in-place leases at the properties provide for contractual increases in base rental rates of approximately 1.6% in 2021. These rent steps and those in future years will result in [increasing rental revenues](#) for the REIT over time.

In addition, management expects rental rates in the markets in which the REIT's properties are located to increase in future years as a result of improving economic conditions and growing demand for state-of-the-art, functional industrial tenancies. There is also significant opportunity for the company to strategically refinance existing mortgage debt. Certain in-place financing at the properties exist that contain mortgage debt with interest rates above current market interest rates. If the REIT refinances these loans at current market interest rates, the result may be a reduction in the overall interest expense incurred by the REIT.

Capitalizing on expansion opportunities

Management is also focused on capitalizing on expansion opportunities. Some of the company's properties contain vacant land, which management anticipates will support expansions or new construction totaling at least 3,200,000 square feet of GLA. This excess vacant land may in the future be developed or sold by the REIT.

The company also focuses on understanding tenants' space needs and developing and nurturing

tenant relationships that will provide expansion opportunities with existing tenants in additional markets. This maximizes the likelihood of future lease renewals and minimizes the costs associated with tenant turnover in the REIT's portfolio.

Intelligent acquisition strategy

The REIT's acquisition strategy is facilitated by management's extensive experience in the sourcing and execution of acquisition and development transactions in the United States. The company focuses acquisition efforts on functional warehouse and distribution properties with characteristics and amenities that are in high demand among retailers, distributors, and third-party logistics companies.

The REIT also makes investments in properties where rental rates are below current market levels. This has enabled the REIT to achieve organic growth in rental revenues as tenant leases expire, providing an opportunity to adjust the rent to market levels.

Strategic partnerships

Management has utilized the company's long-term relationships with strategic capital partners to facilitate off-market investment opportunities by exploring, from time to time, potential co-investment opportunities involving the REIT and one or more co-investors. Such co-investment opportunities have allowed the REIT to generate additional third-party fee income, enhance the company's cost of capital, and participate in the acquisition of larger portfolios than it would otherwise be able to acquire acting as a sole investor.

Through strategic relationships with institutional investors, the REIT is pursuing value-adding and development investments, creating an enhanced proprietary acquisition pipeline for the REIT.

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