



## TFSA Investors: 1 Stable Real Estate Stock to Own for Dividends

### Description

**CT Real Estate Investment Trust** ([TSX:CRT.UN](#)) focuses primarily on triple-net, long-term leases to [investment-grade tenants](#). It owns, develops, and leases income-producing commercial properties located primarily in Canada. CT Real Estate Investment Trust (REIT) owns a geographically diversified portfolio comprising of standalone properties primarily occupied by **Canadian Tire** ([TSX:CTC.A](#)) stores, multi-tenanted properties, industrial properties, mixed-use commercial properties, and development properties.

The principal objective of the REIT is to create unitholder value over the long term by generating reliable, durable, and growing monthly cash distributions on a tax-efficient basis. To achieve this objective, management is focused on expanding the REIT's asset base while also increasing the company's adjusted funds from operations (AFFO).

### Diverse property mix

CT REIT owns a portfolio of 363 properties, including 10 ground leases. The portfolio consists of primarily net leased assets and is made up of 357 retail properties, four industrial properties, one mixed-use commercial property, and one development property. The properties are located in each of the provinces and in two territories across Canada.

Together, the retail properties, industrial properties, and mixed-use commercial property contain approximately 28.7 million square feet of [gross leasable area](#) (GLA). The retail properties are made up of 287 single tenant properties, 67 multi-tenant properties anchored by a Canadian Tire store, and seven multi-tenant properties not anchored by a Canadian Tire store. The 325 Canadian Tire stores owned by the REIT range in size from 12,000 square feet of GLA to 198,000 square feet of GLA.

### Properties with stable characteristics

Canadian Tire is the REIT's most significant tenant with industrial properties representing approximately 87.3% of the REIT's annualized base minimum rent. The company's properties are well

located, and the portfolio has stable characteristics, which include high occupancy, staggered lease maturities, and strong retailing attributes, including location, traffic, visibility, frontage, and parking. The properties are generally located in commercial areas and are often co-located with, or located in close proximity to, supermarkets and other large-scale retailers, attracting a high volume of customers to the properties.

The annualized base minimum rent for the properties is divided among single-tenant properties (61.9%), multi-tenant properties anchored by a Canadian Tire store and third-party tenants (25.8%), four industrial properties (8.8%), retail properties not anchored by a Canadian Tire store (2.0%), and one mixed-use commercial property (1.5%).

## Exposure to large urban markets

Approximately 45.5% of annualized base minimum rent is generated from properties located in and around the following six largest urban markets. These include Vancouver, Edmonton, Calgary, Toronto, Ottawa, and Montreal. The weighted average term of the Canadian Tire store leases is nine years, with a weighted average rental rate of \$13.98 per square foot. The weighted average lease term for the industrial properties is about 13 years. The weighted average lease term of all tenants in the REIT's portfolio is about 11 years.

Future growth is expected to continue to be achieved from a number of sources, including the portfolio of Canadian Tire store leases, which generally contain contractual rent escalations of approximately 1.5% per year. Contractual arrangements with Canadian Tire stores help the company to obtain insights into potential real estate acquisitions and development opportunities in markets across Canada.

### CATEGORY

1. Investing

### POST TAG

1. canada

### TICKERS GLOBAL

1. TSX:CRT.UN (CT Real Estate Investment Trust)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)

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