



## TFSA Investors: 1 Safe Dividend-Paying Stock Set to Rise

### Description

The business of **Slate Office REIT** (TSX:SOT.UN) is to invest in a [diversified portfolio](#) of income-producing real property investments used for office purposes in accordance with the company's investment policies and investment guidelines. The real estate investment trust (REIT) owns office properties that include buildings and complexes and provide office space for federal and provincial governments and various service companies.

### Experienced management team

The REIT's properties are managed by a wholly-owned subsidiary of Slate, pursuant to a management agreement. Slate is a Toronto-based commercial real estate investor and asset manager. Slate's professionals have extensive experience managing [complex real estate transactions](#) in domestic and international markets.

The company's team consists of over 95 professionals with dedicated acquisition, leasing, in-house legal, construction management, and financial reporting teams for the company's Unites States retail, European retail, and North American office businesses. Due to the company's relationship with the manager, the REIT does not have any employees directly. Instead, the REIT has trustees and officers and relies on Slate for services it might otherwise obtain from employees.

### Rational strategy

The REIT's strategy is to own an institutional quality portfolio of assets in stable and growing office markets in North America, where millions of people work every day. The REIT seeks out assets that can be purchased at a significant discount to peak and replacement value while retaining stable operating fundamentals so as to allow the potential for superior risk-adjusted returns.

Two-thirds of office inventory is often overlooked by large institutional investors for various reasons. The REIT's portfolio of office properties provides diversification, an ability to generate cash flow to provide distributions to unitholders, and the opportunity to grow net asset value on a per-unit basis.

## Robust pipeline of assets

Management has developed a robust pipeline of assets that meet the REIT's investment criteria in the U.S. and Canada and continues to look to expand into scalable markets in North America. While the REIT's primary goals are to grow net asset value on a per-unit basis and provide distributions to unitholders, the REIT has a bias towards assets with strong credit tenants and where rents are below market, so it can realize organic growth.

The company utilizes prudent and proactive capital management strategies to reposition properties, grow rental revenue, extend lease term and increase occupancy to create value while minimizing property and portfolio vacancy exposure. Further, company executives are very disciplined capital allocators. This ensures that outlays maintain and increase the attractiveness of the REIT's portfolio.

## Prudent balance sheet management

The company maintains a conservative payout ratio, taking into account the REIT's other available opportunities and capital-allocation requirements. As of December 31, 2020, the REIT owns a portfolio of 34 assets that is primarily comprised of office properties throughout Canada and the United States. The portfolio consists of nearly seven million square feet of gross leasable area and has an occupancy rate of 84.2%.

Overall, the REIT is positioned for long-term growth with a portfolio of high-credit-quality tenants and a conservative payout ratio.

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1. Dividend Stocks
2. Investing

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### Date

2025/08/21

### Date Created

2021/05/22

### Author

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