



1 Sneaky E-Commerce Play Poised for Growth

Description

Of course, just like any other sector, the real estate sector has suffered due to the pandemic. Indeed, commercial REITs were met with uncertainty about how Canadians may shop and work in future.

In such a situation, when REIT executives and investors are hoping for the market to return to normal, one sneaky play seems to be well positioned for growth.

Granite REIT ([TSX:GRT.UN](#)), a REIT based in Canada, has successfully tapped the surging e-commerce demand for large distribution centres.

Accordingly, here's why I think this REIT play has [ample room for growth](#).

Robust portfolio of high-quality assets

Granite is a popular name in the REIT sector and is recognized as an owner of industrial and warehouses properties in North America and Europe.

In this past year, and mostly due to pandemic, businesses witnessed a surge in e-commerce activity. This has led to a burgeoning demand for large-scale distribution centres.

Indeed, the supply of these distribution centres is still relatively low when compared to the need for industrial property. With its robust portfolio in tow, Granite is focusing on filling the gap between demand and supply of commercial spaces as much as possible.

Accordingly, such a trend is very bullish for the potential for income growth on the horizon. The ability for Granite to raise rents considerably over time is something investors shouldn't underestimate. In the real estate business, income generation is everything. And, in my opinion, Granite is well positioned to tap into these rapidly developing trends.

This REIT is involved in acquisition, development, and management and ownership of warehouse, logistics, and industrial properties. On the acquisition front, the company has been busy in recent

years. Granite has amassed a portfolio of 108 properties including roughly 45.3 million sq ft. of leasable area. This gives Granite an upper hand when aligning its business model to the current supply and demand dynamics in the market.

Bottom line

Granite REIT is well known for owning a large number of properties and distribution hubs near city centres and major transportation hubs. Indeed, this makes Granite a viable option for its many blue-chip clients.

I think industrial real estate, particularly of the quality in Granite's portfolio, is undervalued. Additionally, I think this REIT has a tremendous amount of upside potential related to rental increases over time.

Accordingly, Granite REIT remains one of my top ideas in the real estate space today. Those looking to diversify into alternative assets can't do much better than this stock right now.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. dividend
2. dividend stock
3. investing
4. market
5. Stocks

TICKERS GLOBAL

1. TSX:GRT.UN (Granite Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Tags

1. dividend
2. dividend stock
3. investing
4. market
5. Stocks

Date

2025/06/29

Date Created

2021/06/13

Author

chrismacdonald

default watermark

default watermark