



This 5%-Yielding Dividend Stock Is Every Income Investors' Dream

Description

With inflation-related volatility gripping markets today, investors may be on the search for diversification. And the search for a great dividend stock in alternative asset class sectors is on.

One such stock I don't think gets enough coverage is **Dream Industrial REIT** ([TSX:DIR.UN](https://www.scribd.com/document/444444444/TSX:DIR.UN)). Indeed, this [industrial real estate player](#) provides excellent diversification potential for investors. It's a company with a diverse portfolio of distribution and logistics assets in North America. And the company is enjoying high occupancy rates as well. What's not to like?

Here's more on why I think this is a top pick right now.

Excellent diversification potential

In the industrial real estate space, Dream is one of the most diversified players investors can consider. The company owns a range of multi-tenanted industrial and warehouse properties around the world. While a majority of these properties are located in Canada, approximately 37% of the company's portfolio is located in Europe, with 12% of the company's properties found in the U.S.

The company's acquisition strategy has driven the company's more global footprint of late. The goal? Dream intends to prioritize a "last-mile" strategy in accumulating its properties. That is, this REIT targets industrial real estate close to urban centres. These properties support the growth of the e-commerce revolution and the paradigm shift in consumer spending habits underway. Accordingly, this real estate play has some impressive growth upside, as such industrial properties become ever more scarce.

The pandemic has thus provided Dream with a nice boom. E-commerce growth is skyrocketing, and companies in this sector are increasing their investments in securing a stable expeditious supply chain. Thus, demand for Dream's properties is only likely to rise as e-commerce penetration increases.

These catalysts are prevalent in all the markets Dream operates in. Accordingly, this highly diversified industrial real estate player ought to make long-term investors' watch lists right now.

Bottom line

For Canadian investors, there's a lot to like about Dream's portfolio. The company's Canada-first focus provides a nice backdrop for Canadian investors to invest in their own backyards. Additionally, it's nice to know that this REIT's 4.8% dividend yield is eligible for the Canadian dividend tax credit.

Aside from this, investors need to consider the supply-and-demand factors at play with this stock. Dream Industrial owns properties that are in increasing demand, with scarce supply. This sort of setup bodes well for long-term investors banking on improved margins over time.

Dream's valuation is attractive, as is its operational metrics. Accordingly, this stock is a dividend gem that's worth holding onto for the long term.

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