RIP Office? Not Yet: 2 Dividend Stocks to Buy in July

Description

Investors were quick to jump on the remote-work bandwagon in the last year, seeing the future as digital. And granted, it looks to be the case with many industries. Some have even stated they would have employees work from home pretty much indefinitely. But that's not the case for every kind of company.

For some industries, there are severe limitations to working from home. **Apple**, for one, has stated staff should be expected in office three days a week starting in September. That means a return to the office and something investors should pay close attention to. And what is the best way to watch? Invest in real estate investment trusts (REITs) that have prime office space in some of the largest downtown cores in Canada. While we can't know just how much the world will change in the near future (can we ever?), it's certain that there will at least be some revenue increases in these real estate sectors.

Allied Properties REIT

Allied Properties REIT (TSX:AP.UN) has some of the top locations for leasing office space in downtown cores across Canada. The company has already since an increase in momentum over the last few months, most recently reporting a strong first quarter. Leasing momentum accelerated, collecting 97.6% of rental revenue. With earnings right around the corner, this is definitely something to watch for rising numbers.

Shares have risen sharply in the last few months — up 25% year to date. You can now pick up one of the top dividend stocks with a yield at 3.68% and an incredibly cheap price-to-earnings ratio of 17.86 as of writing. So, again, pay attention to earnings. Should revenue increase yet again, as the world reopens, it's only a matter of time before this stock's shares rise higher and higher. That's especially as the company continues catering heavily towards tech-focused businesses. Analysts currently peg the stock to rise by a further 9% in 2021.

RioCan REIT

But it's not just office space that will reopen but retail as well. For investors looking forward to getting back to shopping, **RioCan REIT** (TSX:REI.UN) is a fantastic option. Returning to work means a return to downtown shopping and eating, and this can only happen with the opening of stores. RioCan also has its earnings report coming up, and last quarter was strong. The company boasts 90% of rental revenue coming from the country's six major markets, with an occupancy rate at 96.1%.

Shares are already up a whopping 40% year to date, yet the stock remains incredibly cheap with a price-to-book ratio of 0.9 as of writing. Meanwhile, you can hardly find dividend stocks with a dividend yield of 4.27% like you can with RioCan. As commercial real estate continues to stabilize, the company should see strong growth. But on top of that, the addition of residential properties above urban retail locations means even more revenue in the future. That makes it one of the top REIT dividend stocks to buy today.

Foolish takeaway

Don't be so quick to move completely to digital. Businesses sure haven't. While the future will look different, with perhaps a hybrid model, in-office use isn't over. So, make sure to find REITs like these that offer significant growth in the future at incredibly reasonable prices.

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