



2 of the Best Canadian REITs to Buy in August

Description

Real estate is always one of the best industries you can invest in, especially when you take advantage of the ease and liquidity of buying real estate investment trusts (REITs). And the best Canadian REITs to buy will not only offer investors defence but a tonne of long-term growth potential, too.

This is why the [real estate industry](#) is an investor favourite and so crucial to the success of a long-term portfolio. It's one of the few industries that you can generally count on to be robust. At the same time, though, it offers some of the best long-term growth of any industry.

So, if you're looking for some top Canadian REITs to add to your portfolio, here are two of the best to buy in August.

A top residential REIT to buy in August

There is no better subsector of the real estate industry for a defensive investment than residential real estate. That's why in this environment, one of the best Canadian REITs to buy is **InterRent REIT** ([TSX:IIP.UN](#)).

And while InterRent is a residential REIT, it's not known for its resiliency. Instead, InterRent is known for the impressive growth it's achieved in the past.

We all want to make sure we own high-quality and defensive businesses. However, we also want high-potential [growth stocks](#), which is why InterRent is one of the best Canadian REITs to buy; it offers the best of both worlds.

So, how much growth are we talking about from a business that simply owns apartment buildings? Over the last 10 years, InterRent investors have seen their investment grow by over 1,000%.

And the best part? This strategy is straightforward and repeatable. The trust has a management team that's capable of sourcing value accretive acquisitions and investing in upgrades to grow their value.

From exterior upgrades to renovations of common areas as well as suites, InterRent completely revitalizes these assets. This results in a rapid growth of the assets' value, which leads to major returns for investors over the years.

The only trouble with InterRent is that it's been rallying rapidly lately, so while it's still worth an investment today, it's not as cheap as it's been over the past year.

A top mixed-use REIT

If you'd rather a Canadian REIT offering a little more value, one of the best to buy now is a stock like **First Capital REIT** ([TSX:FCR.UN](#)).

First Capital is a mixed-use REIT that was impacted by the pandemic more than a residential REIT like InterRent. Still, the impact on its operations has been small, and First Capital is positioned to not only rebound but continue the long-term growth potential it's had since before the pandemic.

While it does own retail assets, which have been the most heavily impacted sub-sector in the real estate industry, First Capital's assets are some of the best.

It owns assets in some of the most opportune locations, and on top of that, it has a tonne of high-quality tenants.

Each property is generally anchored by these high-quality tenants like grocery stores, pharmacies, and banks. This not only helps keep revenue robust for First Capital, but these businesses also drive foot traffic at these locations, making them more appealing to smaller, more discretionary retail tenants looking for units.

The trust reported earnings this week, which helped highlight its recovery potential. First Capital even managed to end the second quarter with occupancy rates of roughly 96%.

So, if you're looking for one of the best Canadian REITs to buy, I'd consider First Capital soon. The trust continues to recover and improve its position. So, I doubt this discount in the stock price will last much longer.

CATEGORY

1. Dividend Stocks
2. Investing

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