



CFIB: Extend and Return Wage and Rent Subsidies to 75% Max

Description

Business and industry groups in Canada want the re-elected Prime Minister Justin Trudeau and his Liberal Party to get to work. The Canadian Federation of Independent Business (CFIB) urged the government to extend some all-important COVID-19 programs, particularly the wage and rent subsidies. CFIB said it would be best to return them to 75% — the maximum level.

Dan Kelly, CFIB's president, said, "With the election behind us, it is critical that we return to the important work of getting Canadians and Canada's job creators through the difficult months ahead." The Canadian Chamber of Commerce (CCC) agrees with the recommendation, because the programs are a valuable support to hardest-hit sectors during the pandemic.

Campaign promises

During the election campaign, Trudeau's party promised to provide Canada's hard-hit tourism industry a temporary wage and rent support of up to 75% of their fixed costs. The wage and rent subsidy will apply to hotels, tour operators, convention centres, and festivals with minimum revenue losses of 40%. The effectivity period is between September 2021 and May 31, 2022.

The extension of the wage and rent subsidy isn't the only campaign promise. Extension for the Compensation Fund for Canadian Audiovisual Productions should be forthcoming. The government will launch the "Arts and Culture Recovery Program" and allocate \$50 million transitional financial support to the Canada Council of the Arts.

Looming housing crisis

The high real estate prices and lack of affordable houses are critical issues the government must address, too. Because of historically low interest rates, bidding wars erupted among homebuyers. Besides causing prices to surge, Canadians are taking on more debt.

Real estate investors should hold off purchasing investment properties due to inflated prices. However,

they still have alternatives to earn [rental-like income](#). Real estate investment trusts (REITs) like **True North Commercial** ([TSX:TNT.UN](#)) and **Nexus** ([TSX:NXR.UN](#)) pay generous dividends. You don't need substantial capital to own these [real estate stocks](#).

Top REITs

True North trades at only \$7.29 per share but pays a lucrative 8.16% dividend. A \$125,000 position will produce \$10,200 in passive income that translates to \$850 per month. The \$638.85 million REIT boasts a solid tenant profile that includes the federal government of Canada.

After the first half of 2021, True North's revenue and net operating income (NOI) from 45 commercial properties remain stable, despite the uncertainties due to the pandemic. The occupancy rate is 97.1%, while the contractual rent collection is approximately 99.5%.

Nexus is currently the top performer in the [real estate space](#). At \$12.83 per share, the gain from its market debut is 60%. Had you invested \$50,000 on February 4, 2021, your money would be worth 80,187.50 today. Since the stock pays a hefty 4.95% dividend, the overall return is higher.

The \$561.89 million REIT is innovative and growth oriented. Although it owns and operates retail (25%) and office (15%) properties, the primary focus is on high-quality industrial properties. Nexus has a strategic partnership with RFA Capital, a successful real estate company.

Deliver on promises

Prime Minister Trudeau said before the snap elections, "Supporting businesses and their workers is at the heart of our plan to create jobs, strengthen the middle class, and grow the economy." The CFIB and CCC expects the new government to deliver on its campaign promises. Meanwhile, real estate investors can invest in Canada's top REITs instead of buying physical properties.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

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