



Stats Canada: 3 Million Jobs Lost to the Pandemic Recovered

Description

September 2021 was a good month for Canada's labour market. Statistics Canada reports the lowest unemployment rate drop since the onset of the health crisis. With the additional 157,000 new, the unemployment rate fell to 6.9% from 7.1% in the preceding month. The estimated three million jobs lost to the COVID-19 have been recovered.

While employment is back to February 2020 levels, the hours worked are still 1.5% below their pre-pandemic levels. Nevertheless, economists say the robust numbers are welcome news. Their median estimate was only 60,000 jobs. Likewise, the gain is second to the 231,000 new jobs in June 2021.

No cause for celebration yet

According to Statistics Canada, the job gains were widespread, although the concentration was in full-time work. Also, there was even distribution in the private and public sectors. Unfortunately, the number of long-term unemployed (six months or more) was still double compared to the job figure in February 2020.

Leah Nord, senior director of workforce strategies with the Canadian Chamber of Commerce, said people should hold off any celebration. The long-term unemployed figure stands at around 400,000. Nord adds there's no data to explain why these people haven't rejoined the labour force in months.

Energy sector pullback

The **TSX** could soon breach 21,000 points after closing at 20,985.40 on October 18, 2021. Investors welcome the positive trend, although the situation remains fluid. The top-performing energy sector led decliners, sliding 1.2% but retained its year-to-date gain of over 70%. Also, the [pullback](#) of oil prices could negatively impact energy stocks.

Meanwhile, [dividend investors](#) could consider shifting attention to real estate investment trusts (REITs). Real estate (+27.93 year-to-date) is second to energy regarding sector performance. **CT REIT** ([TSX:CRT.UN](#))

) and **Slate Grocery** ([TSX:SGR.U](#)) are two of Canada's stable REITs amid the pandemic.

Investment-grade tenant

Canadian Tire Corporation ([TSX:CTC.A](#)), an investment-grade firm, is the anchor tenant of CT REIT. At \$17.41 per share, the \$4.04 billion REIT pays a 4.82% dividend. The leased properties are mostly retail with four industrial and one mixed-use commercial.

CEO Ken Silver said, "CT REIT's track record throughout the pandemic has demonstrated that its core attributes generate attractive results across a range of economic conditions." In the first half of 2021, property revenue increased 3% versus the same period in 2020.

Net income was \$259.4 million, or a 140.7% year-over-year increase. Apart from the 99.2% portfolio occupancy rate, 95% of the properties under development are subject to committed lease agreements.

Grocery-anchored

Slate Grocery invests in grocery-anchored real estate in the United States. This \$619.11 million REIT sees real value in leasing neighbourhood shopping centres. Management is confident the business will remain stable even in a weaker economy. It can also counter the threat of e-commerce.

Rental revenue and net income growth in the first half of 2021 versus the same period in 2020 were 5.7% and 79.6%, respectively. The competitive advantages are grocery-anchored tenants (99%), high occupancy rate (93.2%), and necessity-based tenancy (65.7%). **Kroger** and **Walmart** are the top two tenants.

The real estate stock trades at \$13.07 per share, while the dividend yield is an [over-the-top](#) 8.18%. A \$15,000 investment will produce \$1,227 in passive income for would-be investors.

Healthy signs

An improving labour market condition and jobs creation in hard-hit sectors during the pandemic are healthy signs. Also, TSX's continuing rally would attract more investors in top-performing sectors like real estate.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CRT.UN (CT Real Estate Investment Trust)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:SGR.U (Slate Retail REIT)

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