



1 Top Canadian Dividend Stock to Add for Yield and Growth

Description

Among the sectors investors often look to for long-term [dividend yield](#) and growth is real estate. While looking at top REITs in Canada, the search can be daunting.

That's because there are quite a few options to choose from in various sectors.

However, in this article, I'm going to highlight why **Boardwalk REIT** ([TSX:BEI.UN](#)) is one of my top picks in the REIT space right now.

Let's dive in.

An intriguing dividend stock in recent years

Many investors may choose to avoid Boardwalk REIT, relative to its peers. That's because, since a 2018 dividend cut, Boardwalk REIT has held its dividend stable. Accordingly, as the company's stock price increased, its yield fell. Today, that has resulted in a dividend yield of 1.8% at the time of writing.

Now, why would someone consider a dividend stock with such a low yield?

Well, given where bond yields are right now, this is a comparable rate. However, it's worth noting that Boardwalk has delivered special dividends in the past. In other words, in exchange for a relatively low yield now, investors get the promise the profits will be shared in lump sums as they come. That can be enticing for some investors.

Indeed, Boardwalk is the second-largest Canadian apartment REIT. This trust owns over 33,000 suites across 200 properties. The open-ended real estate investment firm owns a blend of low-rise, mid-rise, and high-rise apartments in Saskatchewan, Alberta, Ontario, British Columbia, and Quebec. With its focus on Saskatchewan and Alberta, this firm operates assets from Class A high-rise to Class B (garden-style) apartments. The firm owns 38% of suites in Edmonton, 17% in Calgary, and 14% in Montreal.

At the pandemic's beginning, Boardwalk's stock fell by 62% between February and March 2020. Throughout 2020, its prices stayed at \$30 mark on average. However, from January 2021, things started looking brighter. Currently, its stock is trading at more than \$52 per share.

Bottom line

Boardwalk REIT is a company that has rebounded on news that rental rates could be rising. The economy is improving, and investors are now increasingly in the bullish camp when it comes to real estate investments.

Boardwalk's exposure to Western Canada provides a little more risk than many of the trust's peers. However, I think this strategy also bodes well for investors considering a highly leveraged reopening play right now.

Accordingly, I think Boardwalk is an intriguing long-term dividend and growth play that's overlooked. It's a company with great potential but is one that's not on the radar of many investors. It's on my radar now.

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