



1 Top Canadian REIT Stock to Buy Now and Hold Forever

Description

Investing in stocks pays off well if you buy stocks at the right time and hold them for the long term. This is one of the reasons why we at the Motley fool always recommend investors must keep some high-quality stocks in their portfolios. Doing so could help you meet your long-term financial goals with ease.

REIT stock to buy now and hold forever

If you want to take real advantage of this Foolish philosophy, you can consider investing your hard-earned savings into some high-dividend-paying, fundamentally strong stocks for the long term, which will help you generate additional income apart from regular returns on your invested money. To help you with the hunt for such stock, I'll highlight one of the [best Canadian real estate investment trust \(REIT\) stocks](#) that you can buy now and hold as long as you want.

CAPREIT stock

Canadian Apartment Properties REIT ([TSX:CAR.UN](#)), or CAPREIT, is one of one of the most popular open-ended REITs in Canada. This Toronto-based company primarily focuses on managing its interests in multi-unit residential rental properties across Canada. It currently has a market cap of nearly \$9 billion, as its stock trades at \$51.29 per share with 14.5% year-to-date losses.

Strong post-pandemic recovery

In the last couple of years, CAPREIT has faced several COVID-19 pandemic-related operational challenges that have hurt its business growth. This is one of the key reasons why its adjusted earnings fell by 28.3% YoY (year over year) in 2020 to around \$5.39 per share.

Despite continued challenges due to new COVID variants, this one of the best Canadian REITs managed to report a 5.7% YoY increase in its total revenue in 2021 to around \$933.1 million. Its overall portfolio occupancy rate improved to around 98.1% in 2021 from 97.5% in the previous year,

showcasing a strong recovery.

With the help of modest increases in average monthly rents, the company's adjusted earnings for the year jumped by more than 48% YoY to \$8 per share, crushing analysts' consensus estimate of \$5.81 per share by a huge margin.

Solid growth outlook

CAPREIT's [plans](#) to "raise between \$850 million and \$900 million in total mortgage renewals and refinancings for 2022, excluding financings on acquisitions."

To accelerate its financial growth further in the coming years, it continues to focus on new quality acquisitions. In line with this strategy, CAPREIT made total acquisitions worth \$805 million in Canada and \$249 million in the Netherlands last year. Its robust balance sheet gives it the flexibility to continue expanding its business through such quality acquisitions, boosting its long-term growth outlook.

Foolish takeaway

Despite all these positive factors, Canadian Apartment Properties stock hasn't seen any appreciation lately, which makes it look cheap. Given all these factors, CAPREIT could be one of the best REIT stocks to buy now for investors who want to benefit from the Canadian rental residential sector's strong growth potential. Moreover, this Canadian REIT stock's attractive dividends make it worth holding for the long term, as it currently has a decent dividend yield of around 2.9%.

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Author

jparashar

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