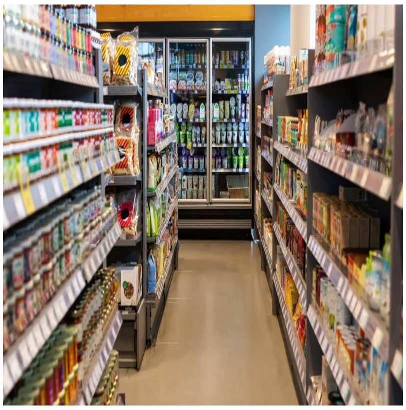

3 REITs to Buy to Bypass Canada's Housing Crisis

Description

The housing crisis in Canada continues, with housing prices soaring to around $816,000 on average in 2022. It's even higher when you look at urban centres such as Toronto and Vancouver. And it's making some Motley Fool investors question whether real estate investment trusts (REITs) are a safe investment any more.

It's a fair point. REITs have in the past been strong providers of solid returns and, of course, passive income. But with many slashing dividends during the pandemic, and a housing crisis continuing, the volatility raises some questions.

Luckily, there are three REITs I'd consider to be perfectly safe, and that aren't involved in the housing crisis in any capacity. So let's dive in.

Dream Industrial

One of the top REITs I would consider first is **Dream Industrial REIT** (TSX:DIR.UN). Dream is in the industrial sector, which includes warehouses for storage or assembly. These low-maintenance buildings boomed during the pandemic, and won't fall to the wayside afterwards. The rise of e-commerce created an opportunity for these REITs to thrive, and Dream continues to do so.

Furthermore, Dream offers investors a diverse portfolio with investments not just in North America, but Europe as well. And as it continues to grow through further purchases and acquisitions, revenue will continue to rise. That leads to more share growth, and of course passive income.

Dream industrial offers a 4.44% dividend yield as of writing, with shares up 13% in the last year.

NorthWest Healthcare

Another of the REITs outside the housing crisis is **NorthWest Healthcare Properties REIT** (TSX:NWH.UN). This company focuses on health care properties, and has a global portfolio that continues to expand. Its properties include everything from hospitals and offices to parking garages. And it continues to acquire more spaces as the company experiences growth.

NorthWest was able to see an increase in its lease agreement renewals with lower interest rates, leading to an average lease of 14 years! After a record-setting quarter, the company expects even more growth. And that growth has been stable for the last few years as the company goes through major growth.

NorthWest offers a yield of 5.78% as of writing, with shares up 5.65% in the last year.

Slate Grocery

Finally, another company without involvement in the housing crisis is **Slate Grocery REIT** (TSX:SGR.UN). Grocery stores proved their worth during the pandemic, quite literally. And Slate REIT rode right along with these essential services. The company owns and operates U.S. grocery-anchored real estate. So you're already right out of the Canadian market.

Not only does management believe long-term income will continue to be achieved, but it's also expanding. The company recently accelerated its growth portfolio, and is now looking for valuable acquisitions to create more income for its investors.

Slate REIT offers a dividend yield of 6.57%, with shares up 36% in the last year.

Foolish takeaway

REITs are some of the best ways to bring in passive income. But not every REIT is built the same. Canada continues to see a housing crisis with no clear end in sight. These REITs can provide investors with some stability and growth not just now, but for years to come.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:SGR.U (Slate Retail REIT)

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alegatewolfe