



Choice REIT Stock Rises as Revenue Rises in Q1

Description

Choice Properties REIT ([TSX:CHP.UN](https://www.tsx.com/stocks/CHP)) shares rose by 3% this week, as the real estate investment trust (REIT) announced a strong start to the year.

- Choice REIT saw a 5% quarter-over-quarter increase in net asset value per unit.
- The company continues to move away from office buildings to focus on essential retail, industrial, residential, and development.
- Its industrial portfolio helped fuel its NAV for the quarter.
- Net income increased to \$0.54 per share, up from a loss of \$0.09 the year before.

What happened in Q1 for Choice REIT?

Choice REIT demonstrated that its focus on moving away from office spaces and towards industrial, residential and essential retail properties is working. The company reported a 5% increase in its NAV quarter over quarter, moving from a [loss in net income](#) the year before to \$387 million, or \$0.54 per share.

Much of the increase this quarter came from a \$243.5 million change in fair values from its investment properties, management stated in its earnings release. This especially came down to its industrial, development, and retail portfolios. Furthermore, there was a significant increase in income of \$106.5 million from joint ventures.

What did management say about Q1?

Management remained positive about the growth in rent collections and leasing. In particular, they noted the 4.8% increase in NAV quarter over quarter, as demand continues in its retail and industrial spaces. Furthermore, it's looking forward to the closing of a strategic sale for more cash flow.

“With the recent closing of the strategic sale of six office properties to Allied Properties

REIT, we are well positioned to focus our time and capital on our core asset classes of essential retail, industrial and our growing residential platform as well as our robust development pipeline.”

Rael Diamond, president and chief executive officer

What's next for Choice REIT?

Choice REIT management stated last year that it made the decision to focus in on its essential retail and industrial business, growing both in the process. Not only will it generate more stable revenue during the pandemic, but it will provide the company with further growth opportunities. This led to the sale mentioned above.

Now that sales have been made, it's time to start adding properties to the portfolio “at a reasonable cost,” management says. Right now, this includes properties being built in several Canadian locations, including both residential and industrial projects. Choice REIT is also [on the hunt](#) for more mixed-use developments as well.

Analysts liked this new move, with at least one raising the target price to \$16 from \$15.50. Right now, the average target price remains at \$16.25. Furthermore, you can pick up a dividend of 4.79%.

Shares were up 3% on Friday for Choice REIT and 9% in the last year. It also trades at 1.53 times book value, providing value for Motley Fool investors today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. alegatewolf
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/07/19

Date Created

2022/04/29

Author

alegatewolfe

default watermark

default watermark