



2 Canadian REITs on Sale: A Passive Landlord's Dream Come True!

Description

A bunch of Canadian real estate investment trusts (REITs) is on sale! It's a passive landlord's dream come true. Investors can sit back, relax, and enjoy income from their REIT investments while waiting for price appreciation.

Don't take my word for it, or even a single analyst's opinion, for that matter, because opinions can be biased and views can change. The consensus analyst price target should be a better gauge for valuation. Here are two Canadian [REITs](#) that are trading at meaningful discounts from their fair valuations.

Grab a substantial discount on residential real estate here...

Recently, *CTV* reported that "in February, the average price of an apartment in Canada came to \$597,900." Imagine if I told you that you can enjoy a steep discount, saving you approximately \$161,433? That's a discount of almost 27%. Indeed, this is the kind of incredible discount that investors can enjoy on **InterRent REIT** ([TSX:IIP.UN](#)) right now! According to 12 analysts, the Canadian REIT should be worth about \$18.23 per unit over the next 12 months, which will approximately be 37% higher than recent levels.

In other words, if an investor bought \$597,900 worth of units in InterRent REIT, they could potentially enjoy price appreciation of about \$219,783 in the near term. It's not recommended that investors put so much money in one investment, though, because of the need to diversify one's investments. InterRent REIT is diversified compared to buying a single rental property. However, investing this much money in one stock would be an over-concentration in one stock or industry and won't be diversified from the perspective of a regular stock portfolio.

Another difference is a landlord typically gets a mortgage to buy a real estate property. It's not necessary to borrow to invest in stocks, which can be a much smaller investment, especially with low-to no-cost [online brokerages](#). REITs already have mortgages for their properties. So, REIT investors really don't need to borrow to make their investments. REITs have professional teams managing the debt and operating the business.

InterRent REIT provides a yield of almost 2.6% on top of its price-appreciation potential.

Another Canadian REIT that's on sale

Within a stock portfolio, investors may have, say, up to 20% that's diversified across REITs in different industries. Besides holding InterRent REIT that's invested in multi-family real estate, investors may also be interested in holding **Dream Industrial REIT** ([TSX:DIR.UN](#)) that's invested in industrial real estate. The Canadian REIT also appears to be on sale with a meaningful discount of roughly 25%. According to 10 analysts, the Canadian REIT can appreciate to about \$18.55 per unit over the next 12 months, which will approximately be 34% higher than recent levels.

The REIT owns about 244 properties across Canada (roughly 63% of its portfolio) and Europe. Its recent high committed occupancy of roughly 98.7% suggests there's strong demand for its properties. Its weighted average lease term of 4.6 years provides the potential to increase rental income on lease renewals. It also holds an interest in a private industrial fund in the U.S.

The industrial REIT pays investors a generous yield of just over 5% for the wait.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:IIP.UN (InterRent Real Estate Investment Trust)

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