



Fire Sale: 2 Unbelievably Cheap Real Estate Stocks to Buy Now

Description

Stocks across all sectors are falling, but some of the most significant selloffs have been in high-quality REITs. Real estate is already one of the best industries to invest in for the long haul, so the fact that so many real estate stocks are cheap today makes them some of the very best to buy now.

Not all real estate is defensive, though. And it's important to understand that heading into the selloff, many were trading at sky-high valuations after the strong growth they've achieved in past years.

So, it's crucial to find stocks that are trading undervalued, both compared to their recent valuations, but also from a historical standpoint. And as always, it's paramount to find stocks with high-quality operations that you'd be comfortable owning for the long haul.

With that in mind, here are two of the best real estate stocks to buy now and hold for years to come.

A top Canadian residential REIT

There are plenty of high-quality residential REITs in Canada. Some are focused specifically on growth. Others have a tonne of assets south of the border. But one of the very best real estate stocks to buy now while it's cheap is **Canadian Apartment Properties REIT** ([TSX:CAR.UN](https://www.tsx.com/stocks/real-estate/capreit)).

CAPREIT is a massive REIT with assets diversified all across Canada. Because it's so large and its assets are located all over the country, it helps to mitigate a lot of risks that other residential REITs face.

In addition, it's a highly liquid investment that Canadians can make in a real estate sector that typically requires a tonne of capital and a long investing horizon.

Besides its high-quality assets, one of the main reasons CAPREIT is one of the best real estate stocks to buy now is that at its current price, the REIT is undoubtedly cheap.

Besides the pandemic, CAPREIT hasn't seen its unit price in the mid-40s since early 2018.

Furthermore, looking at its valuation, CAPREIT is currently trading at a forward price-to-adjusted-[funds from operations](#) (P/AFFO) ratio of just 20 times.

Only briefly did it trade this cheap during the pandemic, and besides the pandemic, CAPREIT hasn't traded this cheap since early 2017. In fact, over the past five years, CAPREIT's average forward P/AFFO is 26.5 times — well above where it's valued today.

Therefore, if you're looking to take advantage of the selloff and want to buy high-quality real estate stocks while they're on sale, CAPREIT is one of the best you can buy, especially when it's this cheap.

One of the best real estate stocks to buy and hold for years

CAPREIT is certainly one of the top choices that investors have. However, another top-notch REIT that's worth a buy in this environment is **Granite REIT** ([TSX:GRT.UN](#)), the massive industrial REIT with significant long-term growth potential.

In recent years, Granite has been one of the fastest-growing REITs. Now that the real estate stock has pulled back significantly now and is trading unbelievably cheap, it's easily one of the best to buy.

Granite has seen the demand for industrial real estate assets grow significantly in recent years, which has led to much of its growth. Despite this impressive performance, though, the stock has sold off with all its peers, making it one of the best real estate stocks to buy while it's [undervalued](#).

At Granite's current price, just below \$80 for its units, the REIT trades at a forward P/AFFO ratio of just 19.1 times. That's right back in line with where Granite was prior to the pandemic when its business began to see a massive increase in demand for warehouse space.

So, with Granite trading at the bottom of its 52-week range and roughly 25% off its high, that's an impressive discount you won't want to miss out on.

Therefore, if you're looking for high-quality real estate stocks that you can buy at a discount today and hold for years, Granite is one of the first REITs I would recommend investors consider.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSX:GRT.UN (Granite 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. danieldacosta
2. kduncombe

Category

1. Investing

Date

2025/08/17

Date Created

2022/06/18

Author

danieldacosta

default watermark

default watermark