



2 Top TSX REITs to Buy for Long-Term Stability

Description

With interest rates on the rise, investing in real estate via real estate investment trusts (REITs) or other more direct means may be a daunting task. Indeed, rising rates reduce the value of assets across the board. Accordingly, even the highest-quality top TSX REITs may be out of consideration for many investors right now.

With bond yields higher, investors now have a feasible alternative to focus on for [yield](#). Indeed, in years past, this wasn't the case. So, where do investors go from here?

Well, for those thinking long term, here are two top REITs I think are worthy of a look right now.

Top REITS: Dream Industrial REIT

One of the real estate segments I've continued to be bullish on over time is industrial real estate. The backbone of logistics (which powers e-commerce and all sorts of high-growth parts of our economy), industrial real estate is an often forgotten about component of the real economy.

Dream Industrial REIT ([TSX:DIR.UN](#)) focuses on high-quality properties in advantageous locations. Many of the trust's properties are located near city centres, and are highly sought after from companies looking to reduce their delivery times to clients.

Of course, much ado has been made about potential over-building in this space. This has led Dream Industrial's multiple to come down significantly. However, with a new [dividend yield](#) of 5.8% at the time of writing, I think this yield is too juicy to ignore.

Killam Apartment REIT

Another segment of the real estate space I think is notable is residential. Indeed, among the residential REITs on the market, **Killam** ([TSX:KMP.UN](#)) is one I've had my eye on for some time.

That's because I like the mix of this trust's property portfolio. Focused mainly on residential real estate in Eastern and Atlantic Canada, Killam serves a unique market niche. This niche has seen some impressive returns in recent years, largely boosted by lower interest rates.

Like Dream Industrial, and other REITs, higher interest rates are certainly a headwind for Killam. That said, folks need a place to live. Accordingly, residential real estate is among the most defensive sub-sectors in this market I think is worth considering.

Among the highest-quality providers of apartments and mixed-use properties out there, Killam's 4.1% yield is certainly noteworthy. This yield is still better than bonds. And while less than Dream's, I think a well-diversified portfolio holding both these REITs should perform very well over the long term. These stocks are both on my radar right now.

CATEGORY

1. Investing

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1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:KMP.UN (Killam Apartment REIT)

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Date

2025/08/19

Date Created

2022/06/22

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chrismacdonald

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