ALERT: 3 Dirt-Cheap REITs That Yield up to 5.7%

Description

Canada's real estate sector is facing a huge challenge, as the Bank of Canada (BoC) has committed to an aggressive rate-tightening path. The central bank was forced to act as Canada's inflation rate soared to troubling levels. Indeed, the inflation rate rose to 7.7% in the month of May — a nearly 40-year high. Despite that, real estate investment trusts (REITs) are not expected to feel a major pinch in the near term. Today, I want to look at three REITs that are deeply discounted in late June. Let's jump in.

This REIT looks deeply discounted in late June

Summit Industrial Income REIT (TSX:SMU.UN) is a Toronto-based REIT that is focused on operating a portfolio of light industrial and other related properties across Canada. Shares of this undervalued REIT have dropped 25% in 2022 as of close on June 23. This has pushed the stock into negative territory in the year-over-year period.

This company released its first-quarter 2022 results on May 10. It reported net rental income growth of 11%, while total revenues climbed 12.2% in the year-over-year period. The Summit Industrial REIT accomplished near-full occupancy of 98.2% in the first quarter of 2022. Moreover, same property net operating income (NOI) delivered 1.8% growth.

Shares of this REIT currently possess a very favourable price-to-earnings (P/E) ratio of 2.3. Moreover, it last had an RSI of 33. That puts Summit just outside technically oversold territory. This REIT offers a monthly dividend of $0.048 per share, representing a 3.4% yield.

Here's a dirt-cheap REIT that also offers big income

Dream Industrial REIT (TSX:DIR.UN) is another Toronto-based REIT. This one is focused on industrial properties in Canada, the United States, and Europe. It has completed over $3 billion in acquisitions in the last half-decade. This REIT has plunged 28% so far in 2022. Its shares are down 20% compared to the previous year.

In Q1 2022, Dream Industrial delivered huge net income growth of 364% to $442 million. Moreover, diluted funds from operations (FFO) per unit jumped 16% to $0.22. Total assets have climbed 10.8% from the fourth quarter of 2021 to $6.7 billion.

This REIT last had an extremely attractive P/E ratio of three. It currently possesses an RSI of 29, which puts Dream Industrial in technically oversold territory. The REIT offers a monthly dividend of $0.058 per share. That represents a very strong 5.7% yield.

One more strong REIT to snatch up today

Choice Properties REIT (TSX:CHP.UN) is the third and final REIT I'd look to snatch up in the beginning of the summer. This Toronto-based REIT owns and operates high-quality commercial and residential properties. Shares of Choice Properties have climbed 10% in the year-to-date period.

The company unveiled its first-quarter 2022 earnings on April 27. Net income surged $449 million year over year to $386 million. Meanwhile, rental revenue rose marginally to $328 million. This REIT possesses a solid P/E ratio of 20 at the time of this writing. It offers a monthly distribution of $0.062 per share, which represents a 5.4% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:SMU.UN (Summit Industrial Income REIT)

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. aocallaghan

2. kduncombe

Category

1. Investing

Date
2025/07/21
Date Created
2022/06/24
Author
aocallaghan