



## 3 Oversold REIT Stocks I'd Buy in Bulk

### Description

The **TSX** today remains an incredibly [volatile place](#), and, unfortunately, market fears remain that we could be entering a recession. Inflation continues to be on the rise, as are interest rates. And this could bring on stagflation in the second half of 2022. The TSX is down 6% year to date at the time of writing and a further 14% from heights reached in April.

So, it's clear why many Motley Fool investors might be seeking out [real estate](#) investment trusts (REITs). REIT stocks offer passive income on the TSX today, but you have to look in the right place. Many have joined the drop, posting lower and lower performance, as Canadians tighten their belts. Yet these three REIT stocks will remain strong performers with plenty of growth opportunities while bringing in that passive income.

Today, I would recommend buying these oversold REIT stocks on the TSX today to keep bringing in cash, even as the markets drop.

### Stable option

For stability, infrastructure is a strong place to look for REIT stocks. Infrastructure will continue, no matter what is going on in the world. We need sewers, roads, and other necessary infrastructure to make it through the day. This is why I would consider **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)).

Brookfield has as global portfolio for investors seeking stable income from sources around the world. Shares of the \$22 billion company are down 6% year to date, offering you a solid point to jump in. It also offers a dividend of 3.7% that grown at a compound annual growth rate (CAGR) of 8.77% in the last decade.

### Emerging growth opportunity

For growth, I would look to REIT stocks within industrials. Industrial real estate includes warehouses

and assembly lines that could bring in significant growth with the emergence of e-commerce. While we may be going through a period of consumers saving their cash, that won't last forever. And e-commerce will be a large beneficiary.

That's why I would also recommend **Dream Industrial REIT** ([TSX:DIR.UN](#)). It currently trades at a relative strength index of 31.88, just shy of oversold territory. The \$3.27 billion company trades at just 2.99 times earnings, with shares down 28% year to date as of writing.

The company continues to expand, creating a joint venture in the Greater Toronto Area most recently. And that's exactly where Motley Fool investors want to see REIT stocks in industrials continue to grow. Now, you can pick up a 5.85% dividend yield to bring in solid passive income while you wait for that growth to come to fruition.

## Old faithful

If you want REIT stocks that will continue to perform, even during a recession, you need to look at the history of the TSX. You can find REIT stocks that have done well in the past and can continue to do well in the future.

I would certainly consider **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)). This company has done well in the past and definitely has a strong growth path ahead. Rising home prices has Canadians seeking out rentals in droves long term. This provides a strong opportunity for growth from one of Canada's largest REITs.

CAPREIT trades just above oversold territory at 39 on the relative strength index and at just 5.72 times earnings. While shares are down 25% year to date, it's risen 166% in the last decade alone and at a very steady pace. Besides the recent drop, the company has done well to keep investors interested. So, Motley Fool investors can now lock in a dividend of 3.24% at a great deal.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
4. TSX:DIR.UN (Dream Industrial REIT)

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