



CT REIT: 1 of the Best Dividend Stocks to Buy While Uncertainty Persists

Description

Throughout 2022, we've seen many stocks on the TSX have significant price movements, as uncertainty and risk have picked up thanks to soaring inflation. Any time uncertainty is high, it makes picking the right stocks so important. But in this environment, with inflation surging, it's even more difficult for investors to decide what the best stocks to buy are, even if you're looking for lower-risk dividend stocks.

The key for investors is to find businesses that will see the smallest impacts from the current environment. These are companies that provide crucial goods or services and ones that you can count on holding for the long haul.

That's why **CT REIT** ([TSX:CRT.UN](#)) is one of the best dividend stocks you can buy now. While it is a retail REIT, and although the [retail sector](#) has been under pressure lately, there are several reasons why you can have confidence buying and holding CT REIT for the long haul.

So, if you're looking to find stocks that you can buy and have confidence in while the economy is struggling, here is why CT REIT is at the top of my buy list.

CT REIT's operations make it one of the best dividend stocks to buy for Canadians

Although many retail real estate investment trusts (REITs) have come under pressure in recent years due to the pandemic and rapid growth of e-commerce, CT REIT has consistently been a reliable stock. The biggest reason why that is due to its relationship with **Canadian Tire**, one of the largest and best-known brands in the Canadian retail space.

Canadian Tire partly owns CT REIT. But, more importantly, it also accounts for roughly 90% of the REIT's revenue. Therefore, the stock has less risk than many other retail REITs in the current environment. However, if Canadian Tire ever began to struggle, the risk of investing in CT REIT would increase significantly.

For now, though, with Canadian Tire consistently reporting strong earnings, CT REIT is one of the most reliable investments you can make, which is why, even in this uncertain environment, it's one of the best dividend stocks to buy.

Furthermore, in addition to the fact that it's so reliable, CT REIT also has attractive growth potential. For example, CT REIT is currently building a 350,000-square-foot, net-zero distribution centre in Calgary. This is not only positive for the environment, but it also means that tenants won't have to pay any gas or electric utility cost. And that's just one of its growth projects.

Therefore, when you consider how reliable CT REIT is, the fact that it increases its distributions annually, and all the growth potential it has over the coming years, it's certainly one of the best dividend stocks that you can buy with confidence in today's market.

However, although CT REIT is an attractive investment to buy and hold, does it offer any value today?

Is CT REIT trading at an attractive value?

As of Monday's close, CT REIT was trading just under \$17 per unit, right about at the midpoint of its 52-week range and roughly 8% off its high. However, to get a better idea of whether or not it offers value, we'll have to dive deeper into the numbers.

Looking at the numbers, it appears that CT REIT is fairly valued. Its forward price-to-funds-from-operations ratio stands at roughly 13.1 times, which is slightly higher than its three-year average of 12.8 times. In addition, its forward annual dividend [yield](#) is roughly 5.1%, just below its three-year average of 5.2%.

Therefore, CT REIT doesn't necessarily offer a tonne of value for investors today. However, it also shows what a high-quality and reliable dividend stock CT REIT is, considering that even in this uncertain environment, investors continue to hold their investment.

So, if you can hold off and try to buy this high-quality Dividend Aristocrat (meaning it's increased its dividend for five consecutive years) at a lower price, you may want to consider watching the stock for now. Otherwise, if you're looking to shore up your portfolio or increase your passive-income stream, then there's no question that while CT REIT is fairly valued. It's one of the best dividend stocks you can buy today.

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