3 TSX Stocks Smart Canadian Investors Are Buying in Bulk

Description

Canadian investors might think that the rise of inflation and interest rates would lead major investors away from e-commerce-related industries. But while this may still be reflected in the market, smart investors are seeking out these **TSX** stocks again and again. And they're buying them up in bulk.

Why? Large cities such as Toronto, Vancouver, and Montréal still have an enormous demand for storage and distribution warehouses. In fact, the demand is so high that the vacancy rate for these properties has fallen to a national low of 1.6%. This offers investors safety and security from investing in TSX stocks that deal with this sector.

With that in mind, here are three TSX stocks I would buy to take on the rise in industrial properties. After all, it's what all the smart Canadian investors are doing.

Summit REIT

Summit Industrial Income REIT ([TSX:SMU.UN](#)) announced during its latest earnings report that demand remains "exceptionally high" for industrial property use. This was reflected in company earnings, where Summit REIT saw several increases that were noted by analysts.

Revenue increased 13.8% year over year to $62.3 million, with net rental income up by the same amount to $46.8 million. Funds from operations increased by 39.4%, and it was able to increase its credit facility four-fold to $400 million. This was done all while holding near-full occupancy at 99.1%, with an average lease of 5.5 years. Summit REIT also reported it saw a record-high average rental rate of $12.25 per foot across the country, up from $7 five years before.

Shares of Summit REIT are still down by 17.55% year to date, trading at 4.82 times earnings. So, smart investors should jump on this company with other TSX stocks and lock in a 3.06% dividend yield.

Granite REIT

Fellow industrial-property owner **Granite REIT** (TSX:GRT.UN) is another strong choice among TSX stocks. It trades at a similarly low 4.7 times earnings and offers a 3.88% dividend yield to lock up while you can. And yet it's down even further than Summit REIT at 23% year to date.

Still, it's one of the best options out there if you're looking for growth. Granite REIT is one of the TSX stocks in the industrial space growing through acquisition again and again. Funds from operations increased 16% year over year, with net operating income increasing by 15.5%. The downside is the company continues to trade at a net loss, which came in at $122.3 million down from income of $316.9 million the year before.

Dream Industrial REIT

Finally, **Dream Industrial REIT** (TSX:DIR.UN) is another strong option for Canadian industrial real estate investment trusts (REIT). With the industrial market remaining strong, Dream Industrial REIT stated there is little worry that there will be a fall as there has been with other real estate areas. This is because demand remains so incredibly high, especially in Toronto. So, the issue that the United States may face is simply not the case in Canada.

Dream offers the best bang for your buck, with shares trading at 3.27 times earnings and a 5.63% dividend yield. This even while the company shows incredible growth, expanding not just in Canada but Europe as well. its last quarter saw a 7% increase in net income, with diluted funds from operations up 12.6% year over year.

Yet again, shares are down by 26% year to date. So, now is the time to lock in this dividend yield before other Canadian investors discover the deal from these TSX stocks.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

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