



## 2 of the Best Canadian REITs to Buy Now and Hold for Years

### Description

With a highly complex investing environment throughout 2022, it's tough for investors to decide what the best stocks are to buy now. Due to the significant selloff in many Canadian REITs, and the fact that real estate can be highly defensive, there's no question that REITs are one of the best buys today.

In a high risk environment, it's the cheapest stocks that will likely be hit the hardest. However, with several top REITs trading cheaply, investors have a unique opportunity to add resilient passive income generators to their portfolios while simultaneously investing in stocks that are [undervalued](#) and can be held for years.

If you have cash that you're looking to put to work while reducing your risk, here are two of the best Canadian REITs to buy now and hold for the long haul.

### One of the best industrial REITs to buy now

With all the long-term potential that **Granite REIT** ([TSX:GRT.UN](#)) boasts, the fact that it's trading near the bottom of its 52-week range makes it one of the best REITs to buy now.

Granite is a massive \$5 billion industrial REIT with properties located across North America and Europe. These assets include warehouses and e-commerce distribution facilities which have been in strong demand in recent years.

Considering the fact that Granite's occupancy rate is high, and the industry in general has few vacancies, it's no surprise that the stock continues to see strong rental growth as leases turn over. Besides this organic growth facilitated by market tailwinds, Granite also has an exciting growth pipeline, making it one of the best REITs to buy and hold for years.

The current discount that investors can take advantage of is highly compelling. Not only does it trade at just 0.8 times its estimated [net asset value](#) (NAV), well below the 1.2 times that it traded at to start the year, it's also attractively priced relative to its expected future earnings.

With the stock trading at a forward price to [funds from operations](#) (FFO) ratio of just 16.3 times, it's well below its three-year average of 19.3 times.

So if you're looking for a relatively cheap buy that you can feel confident about during these uncertain times, Granite is one of the best REITs to buy now.

## A top residential REIT with a tonne of growth potential

In addition to Granite REIT, many highly defensive residential REITs are worth a look as they offer investors attractive value in today's environment. That's why you should consider **Morguard North American Residential REIT** ([TSX:MRG.UN](#)).

Morguard owns residential properties that are diversified across the U.S. and Canada. Exposure to different regional markets equates to reduced risk and amplified growth potential. Plus, as inflation has surged, Morguard has been able to grow its rental rates considerably along with its same property net operating income.

Like Granite, it's trading dirt cheap right now at just 0.5 times its estimated NAV. That's well below the 0.7 times it was trading at just five months ago. In addition, Morguard's forward price to FFO ratio is just 12.3 times. That's not just ultra-cheap, it's also well below its three-year average of 13.9 times.

While this high-quality, well-diversified REIT trades undervalued and offers an exceptional distribution yield of roughly 4.2%, there's no question that it's one of the best to buy now.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:GRT.UN (Granite Real Estate Investment Trust)
2. TSX:MRG.UN (Morguard North American Residential Real Estate Investment Trust)

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