



Canadian Apartment Properties REIT: How Anyone Can Become a Landlord With Just \$50

Description

Many Canadians have dreams of owning a rental property one day as a method for rapidly increasing their income. But because it can take years to save money for a down payment on a property, there are other ways to become a landlord, such as buying real estate investment trusts (REITs), like **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)), which are much more accessible.

Being able to start an investment in CAPREIT for less than \$50 is a significant advantage. However, it's far from the only reason to buy the high-quality REIT today.

If you've ever thought about owning a rental property, or are just looking to put your capital to work in a reliable long-term investment, here's why owning a stock like CAPREIT is so ideal for many Canadian investors.

Investing in Canadian Apartment Properties REIT offers tonnes of liquidity

One of the most significant advantages of investing in publicly traded [real estate](#) stocks like Canadian Apartment Properties REIT is that you can buy and sell your investment as often as you'd like.

So, it's possible to take an initial position today, and in a month from now, if the stock is even cheaper, you can double down and buy more.

Furthermore, if something comes up, and you need to raise the cash, you can sell these investments rapidly thanks to all the [liquidity](#) in the stock market and the fact that buying and selling stocks like CAPREIT have very minimal transaction costs.

Canadian Apartment Properties REIT provides investors with attractive diversification

The fact that these assets are highly liquid and easy to buy or sell is truly significant. However, another advantage that's arguably even more important is that these REITs offer investors tonnes of diversification, which can help to reduce risk significantly.

Canadian Apartment Properties REIT currently owns over 60,000 sites and suites. So, when you buy the stock, you gain exposure to thousands of units.

However, it isn't just the vast number of properties you gained exposure to. It's also the fact that you gain exposure to all types of buildings and properties in many different regions and provinces across the country.

This diversification helps to reduce risk tremendously, but it also offers the opportunity for growth potential when some regions have more opportunity and more robust fundamentals than others.

Having a professional management team running the operations is key

Lastly, and most significantly for many Canadians, is that when you buy a stock like CAPREIT, the management team can help relieve many headaches that come with owning an income property.

Don't get me wrong; buying a rental property is undoubtedly admirable. However, there's a lot that can go wrong. In addition, there are many mistakes you can make along the way, and while the experience you gain could be valuable, these mistakes could also be quite costly.

For example, a professional management team that employs tonnes of workers across its many different properties will deal with tedious tasks, such as maintenance problems, as they arise and finding new tenants each month. However, they also offer much more.

Canadian Apartment Properties is, for example, constantly expanding its portfolio and increasing the value of the REIT for investors.

So, the management team is constantly deciding what to spend on for growth, whether that's adding additional properties to its portfolio or investing in renovating and upgrading its existing assets. Management can also decide to take on or reduce debt depending on the macroeconomic environment and what level [interest rates](#) are at.

These decisions are crucial and can be the difference between a mediocre investment and one that's rapidly compounding in value. Therefore, owning high-quality REITs with solid management teams is one of the best investments you can make.

Bottom line

As you can see, there are numerous advantages and reasons to buy a stock like CAPREIT.

But above all else, just gaining exposure to the highly defensive residential real estate industry is an excellent investment and one you can be confident owning for decades to come.

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