Get an Edge by Investing in This Ignored Sector

Description

Boy, have financial markets been unfair to investors of late!

One of the safest places to be has traditionally been the Real Estate Investment Trust (REIT) sector. The REIT sector provides diversification from broader stock indices.

However, we've seen this sector sell off along with broader markets as investors worry about counterparty risk for those landlords. That said, for long-term investors looking for deals in this market, I've got three picks for you.

Dream Industrial REIT

One of the premier REITs in Canada, **Dream Industrial REIT** (TSX:DIR.UN) holds one of the highest-quality portfolios of industrial real estate for Canadian investors trading on the **TSX**. Industrial real estate is one niche real estate sub-sector I expect to see grow more than other property types in the years to come.

This is mainly due to the fact that high-quality industrial real estate in prime locations is becoming increasingly rare. In addition, high-quality industrial real estate is becoming increasingly important.

Two drivers of industrial real estate are consumers requesting quick delivery timelines and companies requiring "just in time" distribution.

If you're interested in reading more about Dream Industrial, you can peruse another article I've written about this REIT: "These Two REITs Have At Least a 30% Upside After a Recent Acquisition."

Granite REIT

Another large REIT focused on industrial real estate, **Granite REIT** (TSX:GRT.UN) has an excellent reputation in the investment community. Granite REIT has very high quality tenants at its industrial properties.

For example, **Magna International** (TSX:MG) has been an anchor tenant of Granite for years, giving Granite REIT an incredible amount of cash flow stability in the past. However, having Magna as a tenant could become a headwind as the global auto industry gets hammered by coronavirus-related demand deterioration.

If you believe, as I do, that everything will be all right a year from now, Granite REIT could turn out to be an excellent buy at these levels. Notably, Granite has done some diversifying of its own in recent years. Granite has added new properties and tenants to its portfolio to reduce its concentration risk with Magna.

Sienna Senior Living

One of Canada's largest providers of nursing homes and related services, **Sienna Senior Living** (TSX:SIA) has obviously felt the effects of coronavirus. Investor confidence in this sector is very low overall.

Senior living was once perhaps one of the brightest growth stories on the TSX after cannabis. Now, senior living accommodations have turned into a no-go zone for many investors who are risk averse. This is particularly true for investors who have already lost a good deal of money recently due to the coronavirus pandemic.

For those who believe the long-term secular growth story pertaining to aging boomers outweighs the short-term coronavirus headline risk, this could be an enticing option at these levels as well.

Stay Foolish, my friends.

CATEGORY

1. Investing

POST TAG

1. bear market
2. coronavirus
3. industrial real estate
4. real estate
5. reit
6. senior living

TICKERS GLOBAL

1. TSX:GRT.UN (Granite Real Estate Investment Trust)
2. TSX:SIA (Sienna Senior Living Inc.)

PARTNER-FEEDS

1. Business Insider

2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing

Tags

1. bear market
2. coronavirus
3. industrial real estate
4. real estate
5. reit
6. senior living

Date
2025/08/25
Date Created
2020/04/09
Author
chrismacdonald