

## Five for Friday- Overlooked REITs

Shares in REIT stocks have recently fallen on hard times for a few reasons. First, investors fear higher interest and mortgage rates will negatively impact real estate valuations. Second, with a recession pending, the odds of higher vacancy rates and delinquencies are more acute. Lastly, with risk-free U.S. Treasuries recently eclipsing 5%, why buy riskier REITs, many of which have similar yields as Treasury notes?

While the concerns are valid, some REITs are being unjustly sold off with the entire sector as investors focus on reducing exposure to the industry. This week's screen focuses solely on Residential and Healthcare REITs as they are real estate sectors with solid growth prospects and are somewhat recession-proof.

REITs are commonly assessed using Price to FFO (funds from operations) instead of price to earnings or price to cash flow. FFO is the cash generated by the REIT, which factors in depreciation, an essential factor in REIT management.

### Screening Criteria

We considered the following factors when screening:

- Residential or Healthcare
- Stock down over 15% from 50-day high
- Dividend Yield > 5%
- P/FFO below the industry average (59.3)

		Dividend		Market	
	Industry	%	P/FFO	Cap (\$bns)	Monthly Performance
CSR	Residential	5.02%	41.61	0.912	-15.37%
GMRE	Healthcare	9.12%	39.03	0.632	-14.14%
PEAK	Healthcare	5.60%	58.4	12.55	-27.05%
SBRA	Healthcare	10.71%	44.7	2.67	-13.81%
UHT	Healthcare	5.91%	53.6	0.683	-10.72%

### Company Summaries

#### Centerspace (CSR)

## Centerspace (CSR) - REIT—Residential

### Description [\(Read Less\)](#)

Centerspace is an owner and operator of apartment communities committed to providing great homes by focusing on integrity and serving others. Founded in 1970, as of June 30, 2021, Centerspace owned 62 apartment communities consisting of 11,579 apartment homes located in Colorado, Minnesota, Montana, Nebraska, North Dakota, and South Dakota. Centerspace was named a Top Workplace for 2021 by the Minneapolis Star Tribune. For more information, please visit [www.centerspacehomes.com](http://www.centerspacehomes.com).

Latest Price (Mar 15, 2023, 3:00:02 PM)

**\$57.83** ▼ (-\$0.84) (-1.43%)

Last Close

\$58.67

Open

\$57.98

Volume

73,834

Annual Div.

\$2.92

Mkt Cap (mn)

\$926.63

52 Week Range

\$56.97

\$104.63

Day Range

\$56.97

\$58.42

Avg. Volume (3m)

72,789

Div. Yield

4.98%

Beta

0.95



## Global Medical REIT Inc. (GMRE)

### Global Medical REIT Inc. (GMRE) - REIT—Healthcare Facilities

#### Description [\(Read Less\)](#)

Global Medical REIT Inc. is net-lease medical office REIT that acquires purpose-built specialized healthcare facilities and leases those facilities to strong healthcare systems and physician groups with leading market share.

Latest Price (Mar 16, 2023, 8:35:27 AM)

**\$9.26** ▼ (-\$0.18) (-1.91%)

Last Close

\$9.44

Open

\$9.22

Volume

14,882

Annual Div.

\$0.84

Mkt Cap (mn)

\$645.72

52 Week Range

\$7.01

\$16.47

Day Range

\$9.24

\$9.29

Avg. Volume (3m)

455,845

Div. Yield

8.90%

Beta

1.10



## Healthpeak Properties, Inc. (PEAK)

## Healthpeak Properties, Inc. (PEAK) - REIT—Healthcare Facilities

### Description [\(Read Less\)](#)

Healthpeak Properties, Inc. is a fully integrated real estate investment trust (REIT) and S&P 500 company. Healthpeak owns and develops high-quality real estate in the three private-pay healthcare asset classes of Life Science, Medical Office and Senior Housing, designed to provide stability through the inevitable industry cycles. At Healthpeak, we pair our deep understanding of the healthcare real estate market with a strong vision for long-term growth.

Latest Price (Mar 16, 2023, 8:37:48 AM)

**\$21.45** ▼ (-\$0.08) (-0.37%)

Last Close

\$21.53

Open

\$21.21

Volume

95,538

Annual Div.

\$1.20

Mkt Cap (mn)

\$11,728.50

52 Week Range

\$21.08

\$35.72

Day Range

\$21.28

Avg. Volume (3m)

4,002,947

Div. Yield

5.57%

Beta

0.88



## Sabra Health Care REIT, Inc. (SBRA)

### Sabra Health Care REIT, Inc. (SBRA) - REIT—Healthcare Facilities

#### Description [\(Read Less\)](#)

As of March 31, 2022, Sabra's investment portfolio included 416 real estate properties held for investment. This consists of (i) 279 Skilled Nursing/Transitional Care facilities, (ii) 59 Senior Housing communities (Senior Housing - Leased), (iii) 50 Senior Housing communities operated by third-party property managers pursuant to property management agreements (Senior Housing - Managed), (iv) 13 Behavioral Health facilities and (v) 15 Specialty Hospitals and Other facilities), one asset held for sale, one investment in a sales-type lease, 16 investments in loans receivable (consisting of (i) two mortgage loans, (ii) one construction loan and (iii) 13 other loans), seven preferred equity investments and one investment in an unconsolidated joint venture. As of March 31, 2022, Sabra's real estate properties held for investment included 41,445 beds/units, spread across the United States and Canada.

Latest Price (Mar 16, 2023, 8:39:49 AM)

**\$11.11** ▼ (-\$0.24) (-2.11%)

Last Close

\$11.35

Open

\$11.31

Volume

136,793

Annual Div.

\$1.20

Mkt Cap (mn)

\$2,568.18

52 Week Range

\$11.04

\$16.60

Day Range

\$11.06

Avg. Volume (3m)

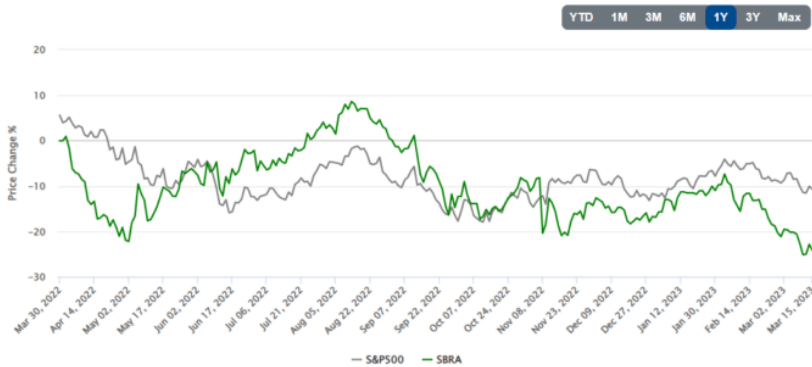
1,789,983

Div. Yield

10.57%

Beta

1.30



## Universal Health Realty Income Trust (UHT)

## Universal Health Realty Income Trust (UHT) - REIT—Healthcare Facilities

### Description [\(Read Less\)](#)

Universal Health Realty Income Trust, a real estate investment trust, invests in healthcare and human service related facilities including acute care hospitals, rehabilitation hospitals, sub-acute care facilities, medical/office buildings, free-standing emergency departments and childcare centers. We have investments in seventy-one properties located in twenty states, including two that are currently under construction.

Latest Price (Mar 15, 2023, 3:00:01 PM)

**\$49.13** (N/A) (N/A)

Last Close

\$49.13

Open

\$48.49

Volume

1

Annual Div.

\$2.84

Mkt Cap (mn)

\$678.16

52 Week Range

\$40.92

Day Range

\$48.07

Avg. Volume (3m)

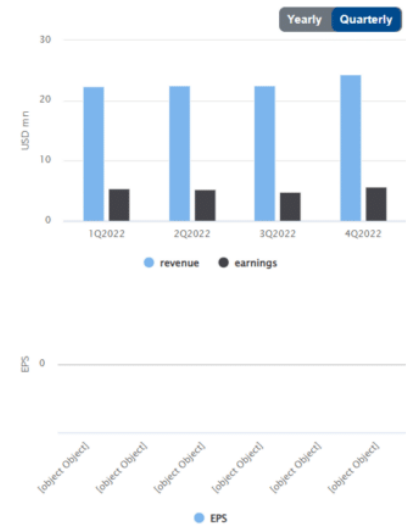
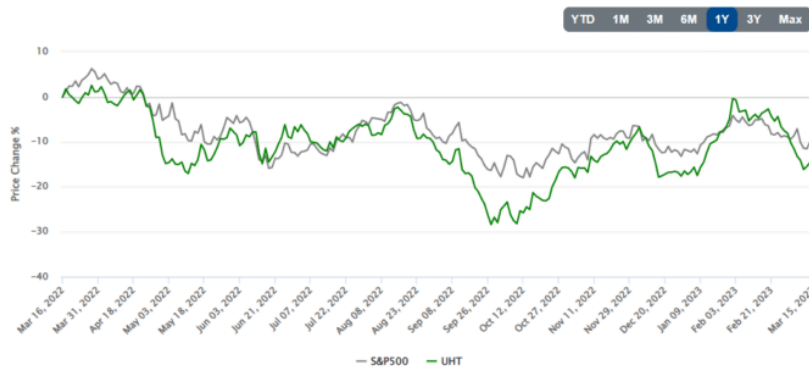
47,159

Div. Yield

5.78%

Beta

0.89



## Five for Friday

Five for Friday uses stock screens to produce five stocks that we expect will outperform if a particular investment theme plays out in the future. Investment themes may be relevant to the current or expected market, industry and/or economic trends. Investment themes may not always represent our current forecast.

## Disclosure

This report is not a recommendation to buy or sell the named securities. We intend to elicit ideas about stocks meeting specific criteria and investment themes. Please read our [disclosures](#) carefully and do your own research before investing.