

Theyâ??re no longer as safe as before, but real estate in Singapore should generally hold up well even during and after this crisis. And as share prices come down, this might present good opportunities to add REIT stocks for cheap.

Tenancy rates and potential of defaults is definitely an area to watch, and so REITs that derive the majority of their income from the **hospitality and retail industry** will be the worst hit. **Office REITs** may also be affected if the work-from-home arrangements continue.

The more resilient REITs during this period will likely be the **industrial REITs** and **healthcare REITs**.
(However, First REIT has its own troubles which Iâ??d rather stay away from.)

What should S-REITs investors expect from here?

Investors should expect a higher probability of new rights issued, and keep aside cash to subscribe for those rights or risk having their shares diluted.

Dividends are also expected to be cut further, so anyone relying on these dividends to fund your monthly expenses should start thinking of diversifying into another income source now.

If youâ??re holding for the short-term, the returns certainly look like crap right now:

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But if you're holding them for the long term, the picture looks very different:

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So for long-term investors, this crisis could be an opportunity instead, and there's no reason to run away from REITs.

Just make sure you have enough cash on hand to prepare to participate in potential equity fund-raising by the REITs you've invested in.

With love,
Budget Babe

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