



## 3 Top Stocks in Senior Living

### Description

Canada's senior housing and care industry is thriving, driven by its aging population. In fact, on July 1, 2015, Statistics Canada's preliminary estimates showed that there were more Canadians aged 65 years and older, a record 5.78 million, or 16.1% of the population, than there were aged 0-14 years, 5.75 million, or 16% of the population. This is the first time that this has ever happened.

There is also a very positive outlook for the industry going forward as Statistics Canada stated that its preliminary estimates show that the share of persons aged 65 years and older will reach 20.1% of the population by July 1, 2024, while the share of children aged 0-14 years is expected to reach just 16.3%.

With all of the information provided above in mind, let's take a look at three of the top senior-living stocks that you could add to your portfolio today.

#### 1. Chartwell Retirement Residences

**Chartwell Retirement Residences** ([TSX:CSH.UN](#)) is the largest operator in the Canadian senior-living sector with over 180 locations across four provinces.

In its nine-month period ended on September 30, 2015, Chartwell's revenue increased 3.6% to \$501.82 million, its net operating income increased 5.6% to \$129.47 million, its adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) increased 6.2% to \$148.27 million, and its adjusted funds from continuing operations increased 14% to \$82.24 million compared with the same period a year ago.

In addition, Chartwell pays a monthly distribution of \$0.0459 per share, or \$0.5508 per share annually, giving its stock a 4.3% yield. It is also important to note that the company raised its rate by 2% in March, and its increased amount of adjusted funds from continuing operations could allow for another bump in 2016.

#### 2. Extendicare Inc.

**Extendicare Inc.** ([TSX:EXE](#)) is the second-largest operator of senior housing and care facilities in

Canada with 112 owned and managed homes.

In its nine-month period ended on September 30, 2015, Extendicare's revenues increased 17.5% to \$708.76 million, its net operating income increased 19.4% to \$93.97 million, its adjusted EBITDA increased 22.7% to \$63.38 million, and its adjusted funds from continuing operations increased 47% to \$34.91 million compared with the same period a year ago.

Additionally, Extendicare pays a monthly dividend of \$0.04 per share, or \$0.48 per share annually, giving its stock a 5% yield. It is also worth noting that the company has maintained this monthly rate since May 2013, but its increased amount of adjusted funds from continuing operations could allow for a significant increase in the very near future.

### 3. Sienna Senior Living Inc.

**Sienna Senior Living Inc.** ([TSX:SIA](#)) is one of Canada's leading owners of senior housing communities and it is the largest licensed provider of long-term care in Ontario.

In its nine-month period ended on September 30, 2015, Sienna's revenue increased 2.4% to \$347.33 million, its net operating income increased 3.7% to \$63.39 million, its adjusted EBITDA increased 2.4% to \$59.61 million, and its adjusted fund from operations increased 0.5% to \$37.27 million compared with the same period a year ago.

In addition, Sienna pays a monthly dividend of \$0.075 per share, or \$0.90 per share annually, giving its stock a 5.4% yield. It is also worth noting that the company has maintained this monthly rate since December 2012, and its consistent funds from operations could allow it to continue to do so for the next several years.

### Which of these stocks would fit best in your portfolio?

Chartwell, Extendicare, and Sienna are three of the best ways to invest in the thriving Canadian senior living sector today. All Foolish investors should strongly consider beginning to scale in to long-term positions in one of them over the next couple of trading sessions.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:CSH.UN (Chartwell Retirement Residences)
2. TSX:EXE (Extendicare Inc.)

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