3 Small-Cap Healthcare Stocks to Buy for Monthly Income

Description

If you're looking to amplify your portfolio's yield or generate monthly income, then this article is for you. I've scoured the healthcare industry and selected three small caps with high and safe yields of 5-9%, so let's take a quick look at each to determine if you should buy one of them today.

1. NorthWest Healthcare Properties Real Estate Investment Trust

NorthWest Health Prop Real Est Inv Trust (TSX:NWH.UN) is the largest non-government owner and manager of medical office buildings in Canada with 70 properties from coast to coast. It also owns and manages 28 medical facilities in Australia and New Zealand, 19 in Germany, and five in Brazil, which gives it a total of 122 properties around the world.

It pays a monthly distribution of $0.06667 per share, or $0.80 per share annually, which gives its stock a yield of approximately 8.3% at today's levels.

Investors must also make two notes.

First, NorthWest has maintained its current annual distribution rate since 2011.

Second, the company has a target distribution-payout range of 80-95% of its adjusted funds from operations, so I think its ample funds from operations, including an adjusted $0.82 per share in fiscal 2015, will allow it to maintain its current annual distribution rate going forward.

2. Medical Facilities Corp.

Medical Facilities Corp. (TSX:DR) owns a controlling interest in four specialty surgical hospitals and an ambulatory surgery centre in the United States. Its specialty surgical hospitals perform scheduled surgical, imaging, and diagnostic procedures, and its ambulatory surgery centre specializes in outpatient procedures.

It pays a monthly dividend of $0.09375 per share, or $1.125 per share annually, which gives its stock a yield of approximately 7.2% at today's levels.

Investors must also make two notes.

First, Medical Facilities has maintained its current annual dividend rate since 2013.

Second, I think the company's increased amount of cash available for distribution, including 20% year-over-year growth to an adjusted $1.66 per share in fiscal 2015, and its low payout ratio, including an adjusted 67.8% in fiscal 2015 compared with an adjusted 81.3% in fiscal 2014, will allow it to announce a significant dividend hike in 2016.

3. Sienna Senior Living Inc.

Sienna Senior Living Inc. (TSX:SIA) is one of Canada's leading providers of at-home healthcare services, the largest licensed provider of long-term care in Ontario, and one of the largest owners and managers of retirement residences. Its property portfolio includes 35 long-term care facilities and 11 retirement residences.

It pays a monthly dividend of $0.075 per share, or $0.90 per share annually, which gives its stock a yield of approximately 5.3% at today's levels.

Investors must also make two notes.

First, Sienna Senior Living has maintained its current annual dividend rate since 2013.

Second, I think the company's increased amount of funds from operations, including 1.9% year-over-year growth to an adjusted $1.312 per share in fiscal 2015, and its reduced payout ratio, including an adjusted 66.2% in fiscal 2015 compared with an adjusted 67.6% in fiscal 2014, could allow it to announce a small dividend hike at some point in 2016.

Is now the time to add yield to your portfolio?

NorthWest Healthcare Properties REIT, Medical Facilities, and Sienna Senior Living can boost your portfolio's yield and provide you with monthly income, so take a closer look and consider buying one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DR (Medical Facilities Corporation)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

Category

1. Dividend Stocks

2. Investing

Date
2025/09/28
Date Created
2016/03/18
Author
jsolitro