3 High-Yield Healthcare Stocks to Grow Old (and Rich) With

Description

We are all aware of the fact that one of the biggest demographic shifts is taking place, and with it comes lucrative opportunities for investment.

I am, of course, referring to the aging population, and as the baby boomers are now between the ages of 54 and 72, we continue to see healthcare and healthcare-related companies thrive.

According to census numbers, the percentage of Canadians that are above the age of 65 is fast approaching 20%. This number has been steadily rising, and just five years ago it was closer to 15%.

Let's take a look at three high-yield healthcare stocks that are aging well and making investors rich in the process.

Chartwell Retirement Residences (TSX:CSH.UN)

As an owner of seniors' housing communities from independent living to long-term care, Chartwell has been benefiting from rising occupancy levels, as an uptick in demand is accompanied by a steady supply of seniors' housing.

As of 2017, occupancy levels were 93%. With consistently rising earnings and a dividend that has increased yearly in the last four years, including a recently announced 2.1% increase, bringing it to a dividend yield of 3.83%, the company is clearly seeing positive trends.

Funds from operations increased 9.6% in the fourth quarter, as the dividend-payout ratio remained at healthy 49%, and debt levels remain easily covered, with an interest coverage ratio of 3.5 times.

NorthWest Health Prop Real Est Inv Trust (TSX:NWH.UN)

With a current dividend yield of 7.1%, NorthWest is a great addition to your portfolio for its exposure to the aging population, and for its high-quality, global, diversified portfolio of healthcare real estate properties.

Healthcare properties generally have stable occupancies and long-term leases which make the underlying REIT a defensive one that is attractive for long-term investors.

NorthWest has been benefiting from strong demand, and cash flows and occupancy levels are rising significantly. As debt levels continue to be reduced, and the international portfolio continues to impress, the stock should respond favourably.

The shares are trading just over book value and present a great opportunity to establish a position.

Sienna Senior Living Inc. (TSX:SIA)

With a dividend yield of 5.05%, Sienna is poised to continue to satisfy investors' hunger for dividends.

As an operator of long-term care homes and retirement homes in Ontario and British Columbia, Sienna will continue to benefit from favourable demand/supply trends. Simply put, the aging population has translated into increasing demand, while supply has not kept up pace.

In the latest quarter, the company reported an 8% increase in funds from operations, with the retirement home segment posting the strongest results.

Going forward, the company's focus on increasing its presence in the retirement home category will serve to drive long-term growth.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CSH.UN (Chartwell Retirement Residences)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:SIA (Sienna Senior Living Inc.)

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