Dividend Income: Retire in Style With These 2 REITs

Description

When we hear about living in a retirement home, we probably have mixed feelings at best.

In the old days, retirement community living was thought of as a sad ending, a defeat of some sort, or a life of isolation.

But today, retirement community living is not what it used to be.

As the V.P. of marketing at **Chartwell Retirement Residences** (TSX:CSH.UN) describes it, retirement communities offer people the "freedom to remain independent, active and social, with support options if and when they may need it."

And this is very relevant. As society is facing a rapidly aging population, and as the baby boomers are now between the ages of 54 and 72, we continue to see big demand in products and services for this stage of life.

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%.

As an investor, this growing demographic/business attracts my attention. With strong demand, limited supply, and strong barriers to entry, this is a business worth considering.

Back to Chartwell, the largest provider and owner of seniors housing communities from independent living to long-term care, which has been benefiting from rising occupancy levels, as an uptick in demand has been accompanied by a steady supply of seniors housing.

With a 3.8% dividend yield, four consecutive years of cash distribution increases, and a quality portfolio of properties, Chartwell is a strong investment that is well positioned for the future.

And going forward, the company has a strong pipeline of opportunities to expand its portfolio of seniors housing development, and there is a plethora of opportunities to continue to expand its supportservices that are offered in house.

For example, Chartwell has been working hard at expanding its sources of revenue by introducing additional care and ancillary services, such as dental, foot care, and physio services.

With a current dividend yield of 7%, **NorthWest Health Prop Real Est Inv Trust** (TSX:NWH.UN) also represents a good opportunity in the healthcare REIT space for dividend investors.

Like Chartwell, NorthWest is benefiting from the aging population.

It offers a high-quality, global, diversified portfolio of healthcare real estate properties located throughout Canada, Brazil, Germany, Australia, and New Zealand, offering exposure to this growing market that addresses the aging population not only in Canada, but in selected countries worldwide.

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.

In summary, the world is changing. Change usually happens slowly, so we still have time to jump on and reap the rewards of these changes.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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