



Want a Growing, Stable Income Stream?

Description

If you're an investor looking for a stable and recurring income stream, [telecom and utility](#) investments are often the first choices. While both of those sectors are easily classified into the buy-and-forget category of long-term investments, another emerging sector of the market is beginning to pose as an equally if not more appetizing opportunity for investors: REITs.

Northview Apartment REIT (TSX:NVU.UN) provides a unique and fresh perspective for those long-term investors, and here are a few reasons you may want to consider diversifying your portfolio with an investment in Northview.

Northview's target audience

Typically, REITs will target their efforts on the residential or retail sector, with holdings that gravitate towards the major metro areas of the country. There's nothing wrong with that strategy, and some of the largest REITs in Canada have redoubled their efforts in recent years to focus on the major urban centres.

Northview has taken a different approach by placing a focus on secondary markets around the country, such as in the north and Atlantic regions. This may sound like an odd strategy to follow, especially considering the astronomic prices of rentals in Toronto and Vancouver, but those secondary markets require a lower upfront cost, and because there is less competition in those markets, Northview's occupancy rates remain high.

Adding to that allure is the potential for growth; Northview is already operating in eight provinces and two territories, and there are plenty of additional markets to expand into that fit Northview's business model. Furthermore, despite its preference for secondary markets, the company has properties in major metros such as Toronto and Montreal. In total, Northview owns over 27,000 units, translating into a very diversified investment option worthy of consideration.

One of the main things investors look at when considering a REIT is the [dividend](#), and Northview's monthly payout will not disappoint. The company offers a very appetizing 6.12% yield, which is far

more alluring than the 3-4% on offer from many of the more traditional income investments as well as many of its REIT peers.

Despite that attractive dividend, Northview's payout ratio is surprisingly just over 75% of funds from operations, which again places it in a better position than many of its peers. For those investors with long-term plans, that handsome yield can provide a sizable nest egg given some time for those reinvested dividends to grow. By way of example, an investment of \$10,000 just over a decade ago would be worth more than twice as much this year and easily provide upwards of \$100 in monthly income today.

Final thoughts

Northview represents an interesting opportunity; not just for those investors that want to get a taste for the real estate market, but for those investors that are after a monthly income stream that is likely to continue growing for years.

In short, buy it and forget about it for a decade.

CATEGORY

1. Dividend Stocks
2. Investing

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/25

Date Created

2019/01/31

Author

dafxentiou

default watermark

default watermark