2 High-Yielding Dividend Stocks to Buy in February

Description

February is RRSP month, with the deadline for 2018 contributions fast approaching.

Luckily, we still have time to get in those last-minute contributions before the March 1st deadline, and I have two dividend stocks that can help set your portfolio up for significant amounts of dividend income, stability, and security for 2019 and beyond.

The stocks that I will discuss in this article have many things going for them.

They both operate in the healthcare industry, where they are benefiting from the secular trend of an aging population, which is resulting in strong demand for everything related to healthcare. 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.

Here are two dividend stocks that are benefiting from this trend and that have bright futures ahead of them.

Chartwell Retirement Residences (TSX:CSH.UN)

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

With a 3.91% dividend yield, four consecutive years of cash distribution increases, and a quality portfolio of properties, Chartwell is a solid investment that is well positioned for the future.

The stock has been pretty stable in the last three years, trading in the $14-15 range, but it has a 46% five-year return, highlighting the growth potential and the stability of this investment.

And all the while, investors have been receiving a monthly dividend that has been reliable and growing.

In its latest quarter, Chartwell reported a 6% increase in fund from operations, but the real story here is the long-term trend, as a doubling of people over the age of 75 in the next 20 years will provide a big boost to demand.

Going forward, the company has a strong pipeline of opportunities to expand its portfolio of seniors' housing developments, as well as a plethora of opportunities to continue to expand its support services that are offered in house.

Northwest Healthcare Properties REIT (TSX:NWH.UN)

Northwest offers a high-quality global, diversified portfolio of healthcare real estate properties located throughout Canada, Brazil, Germany, Australia, and New Zealand. As such, Northwest stock offers investors exposure to the biggest demographic shift that much of the developed world is facing.

Northwest's stock price has been a little more volatile than Chartwell's, but that's still not a lot. In the last three years, the stock has traded between $8 and above $11, and it has a five-year return of just over 10%.

This, as well as its dividend yield of 7.45%, reflects the fact that Northwest has more leverage than its peers, which makes it slightly riskier.

But, considering everything, I still think that this stock offers investors a solid income stream that is pretty secure.

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)

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