



## Lazy Investors: Don't Run From Realty: Get Passive Income From These 2 REITs

### Description

We've all heard that a housing crisis is coming. Some might even say it's already here. It's making many people scared about what to do with their homes, apartments, and where to move next.

But one mistake investors make is equating a housing crisis with real estate investment trusts doing poorly. Sure, they can definitely go down. But they likely won't crash. Not if you pick the right ones.

While banks, which rely heavily on mortgages and other types of loans, will be hurting during the crisis, don't run from realty. In fact, use it to your advantage and buy two strong REIT stocks like these while the prices remain so low.

### Brookfield Property

For the reason I've noted above, it can be hard to find an undervalued REIT right now. But they absolutely exist, and one strong one I'd consider is **Brookfield Property Partners LP** ([TSX:BPY.UN](https://www.bny.com/en/real-estate/brookfield-property-partners-lp))(NASDAQ:BPY).

Brookfield is [one of the largest real estate operators in the world](#). The company holds a portfolio of properties from London to New York and Las Vegas. All together, Brookfield owns 2,000 assets across 30 countries worth \$90 billion, with total equity of \$47 billion. Not a bad lot.

Even better news is that the real estate portfolio is highly diversified. Mainly, Brookfield's balance sheet holds an 80% core of office and retail assets, serving as a stable foundation of rental income. These high-quality holdings generate stable and sustainable cash flow that supports the company's strong dividend of 6.36% at the time of writing.

But it's not just the dividend that has analysts recommending this stock. Brookfield runs an opportunistic portfolio that aims for higher returns around 18-20%, with a goal of 12-15%. The company also buys back shares from time to time when they're cheap. Most recently it purchased \$391 million worth of shares for cancellation.

And again, this stock is actually *undervalued*, trading at a discount of almost 30% from its fair value at the time of writing. So if you're looking for a buy and hold stock, you're not likely to find a better one.

## NorthWest Properties

That is, not find one much better than **NorthWest Healthcare Properties Real Estate Investment Trust** ([TSX:NWH.UN](#)).

NorthWest, unlike Brookfield, is trading closer to fair value right now. But like Brookfield, the company is a smart buy for investors looking for a diversified stock that will still perform during a housing crisis.

The difference with NorthWest is that the company [focuses on the medical sector](#), with medical buildings, hospitals and long-term care facilities operating in Canada, Brazil, Australia, Europe and New Zealand. Its portfolio contains 149 different properties in these areas. But the company isn't stopping there.

Currently, NorthWest is looking to expand. It recently announced a \$1 billion deal to do just that throughout Australia. It's the perfect time to start this goal as Baby Boomers continue to age and need more medical facilities. Better yet, NorthWest is seeing this performance and hasn't even entered the U.S. yet.

That performance has proven strong over the past 52 weeks, with the stock sticking to a narrow range between \$9 and \$12 per share. While it's on the low end, it also means the stock isn't swinging violently one way or the other, so growth should remain steady if you hold onto this stock.

And of course, like Brookfield, this stock offers a great monthly dividend, with the yield currently sitting at 6.9%.

## Bottom line

Now I can't say these stocks won't be affected at all by the housing crisis, but they should remain at least relatively stable. Share prices should stay around the same price they're at now, which is why these stocks aren't for selling in a year or two.

Instead, hold onto to these stocks for the future and you should see some major growth over the long term, with a steady and stable dividend that should increase as these companies continue to expand.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:BPY.UN (Brookfield Property Partners)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

### PARTNER-FEEDS

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

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1. Investing

### **Date**

2025/08/24

### **Date Created**

2019/04/13

### **Author**

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