



## Forget Bitcoin! These Monthly Income REITs Could Make You Filthy Rich

### Description

When investors think of securities that could [make them rich](#), the first thing that comes to mind are speculative investments within nascent fields like marijuana or cryptocurrencies. Such investments may not even be classified as investments. An investment requires due diligence, thorough analysis, and the amount of research that just isn't possible with such early-stage fields.

You've probably heard of speculators getting rich in Bitcoin and the like. But what you never hear about are the vast number of losers and greater fools (that's a lower-case *f*, and no, that's not a term coined by the Motley Fool!) that were left holding the bag of the few who lucked out and became very rich with minimal effort.

With Bitcoin, the latest penny stock, or what have you, you're essentially scratching off a lotto ticket. And when it comes to your hard-earned retirement dollars, a better idea would be to actually invest it in an asset that has a favourable risk/reward trade-off.

Many REITs are [fantastic investments](#) that can allow investors to score alpha. And while most wouldn't consider them as a means to get rich, from a longer-term perspective, with distributions reinvested, the results are actually impeccable and potentially shocking to those who think of the REITs as boring, low-growth, retiree-only investments.

Not all REITs are built the same, and there are certain macro headwinds that could dampen returns at any given instance in time. But over the long haul, the well-run REITs within favourable industries have proven to be substantial generators of wealth. Given their below-average risk profiles, such REITs can offer investors a lot more than they'd think would be possible.

REITs get a bad rap with younger investors, and I think that's got to end.

Consider the opportunities to be had with **NorthWest Health Properties** ([TSX:NWH.UN](#)) and **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)) (a.k.a. CAPREIT), which have yields of 6.9% and 2.7%, respectively.

## NorthWest Health Properties

NorthWest has a bountiful 6.9% distribution, a fairly healthy payout ratio, a long-term growth plan, and, best of all, the company is in a real estate sub-industry that's going to experience big multi-decade tailwinds.

The REIT operates hospitals, medical offices, clinics, and the like, all of which will have lines running out their doors as the demand for medical services swells in conjunction with the age of Baby Boomers. The demand for clinic visits, hospital stays, and doctor checkups are soaring, and they're going to continue to soar as the Boomers head deeper into their golden years.

That's a golden opportunity for NorthWest, which is expanding its footprint across the planet. While REITs in general may have a limited means for growth, NorthWest is poised for growth that's comparable to more highly levered non-real estate businesses thanks to the fortunate tailwinds that aren't going away any time soon.

## CAPREIT

Because of the vastly lower yield, CAPREIT is seen as a higher-growth REIT, and although one may attribute the higher growth to the magic of management, one can't give all the credit to the moves made by the folks behind the scenes. They're not magicians that can turn a REIT, which is required to pay out 90% of taxable income to shareholders, into a security that trades more like a stock.

What's behind CAPREIT's success and why has the stock more than doubled over the course of five years?

The answer is, massive industry tailwinds.

CAPREIT has a front-row seat to arguably the hottest renter markets in the world. There are a big shortage and an ever-growing demand in such markets, allowing CAPREIT to score jaw-dropping ROE numbers that wouldn't have been possible otherwise.

That's a heck of a trend, and with macro conditions expected to remain relatively the same over the long term, I suspect CAPREIT will continue to be a REIT that'll put the broader indices to shame.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)

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

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