



## 2 REITs to Buy and Hold Forever

### Description

Real estate investment trusts (REITs) allow investors to get a piece of the real estate market and participate in rent collection passively by owning shares.

These investments are generally long-term [buy and hold](#) investments whereby the holder benefits from a higher than average dividend yield and slow but steady long-term capital appreciation.

Today, the aging population is one of the biggest secular trends driving the market, which brings with it many challenges, but also many beneficiaries.

The money management industry is benefiting, as is the healthcare industry. Consider the following two REITs that are ideal to buy and hold forever.

Collect lucrative dividend payments as these REITs invest in real estate that is aimed at addressing the needs of the aging population in Canada and around the world.

### Northwest Healthcare Properties REIT ([TSX:NWH.UN](#))

With a dividend that has been stable over the last many years, and a current dividend yield of 6.92%, Northwest is a REIT to be reckoned with as it grows its reach and its portfolio of properties around the world.

Its high-quality global, diversified portfolio of healthcare real estate properties located throughout Canada, Brazil, Germany, Australia, and New Zealand gives it real exposure to the biggest demographic shift that much of the developed world is facing: the aging population.

Northwest's first-quarter 2019 results showed strong occupancy of 96.8% (up 10 basis points), with a 98% occupancy on the international portfolio.

Northwest has further penetrated the Australian market, with the \$1.2 billion acquisition of 11 Australian hospitals from Healthscope, in a deal that management expects to be highly accretive,

\$0.11 in incremental adjusted funds flow in year one and \$0.09 on a recurring basis, which equates to income and steady growth for investors.

## Chartwell Retirement Residences REIT ([TSX:CSH.UN](#))

Over the last five years, Chartwell stock has rallied 37%, and while this has stalled in recent years, this REIT remains a solid long-term buy as it continues to offer investors a dividend yield of 4.10% and a solid business.

In fact, four consecutive years of dividend increases have taken the annual dividend to \$0.20 per share, for a compound annual growth rate (CAGR) of 2.13%.

As the largest provider and owner of seniors housing communities from independent living to long-term care, Chartwell has been benefitting from strong occupancy levels as demand has risen steadily.

In the first quarter of 2019, occupancy levels stood at 90.7%, down 100 basis points from last year.

On a brighter note, however, funds from operations increased 10% boosted by an 8.4% increase in residential revenue that was matched by an only 6.5% increase in operating expenses.

Contributions from developments and acquisition, rental rate increases, and ancillary services revenue growth were noted, as the REITs strategy continues to pay off.

### 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)

### PARTNER-FEEDS

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### Date

2025/08/25

### Date Created

2019/05/10

### Author

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karenjennifer

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