



## Retirees: Complement Your CPP Payments With These 2 Reliable REITs

### Description

In 2019, the maximum Canada Pension Plan payment retirees can get is \$1154.58 per month, but most retirees don't get the maximum. In fact, the average CPP payment is only about \$640 per month, which is far below what's needed for the cost of living.

One of the most reliable ways to [generate income](#) is from earning rental income from real estate. Here are two reliable REITs you can get passive income from without all the work required of landlords.



### Brookfield Property for a 6.8% yield

**Brookfield Property Partners** ([TSX:BPY.UN](#))(NASDAQ:BPY) is a great stock holding in RRSPs or RRIFs, but it's also a qualified investment for deferred profit-sharing plans, registered education savings plans, RDSPs, and TFSAs.

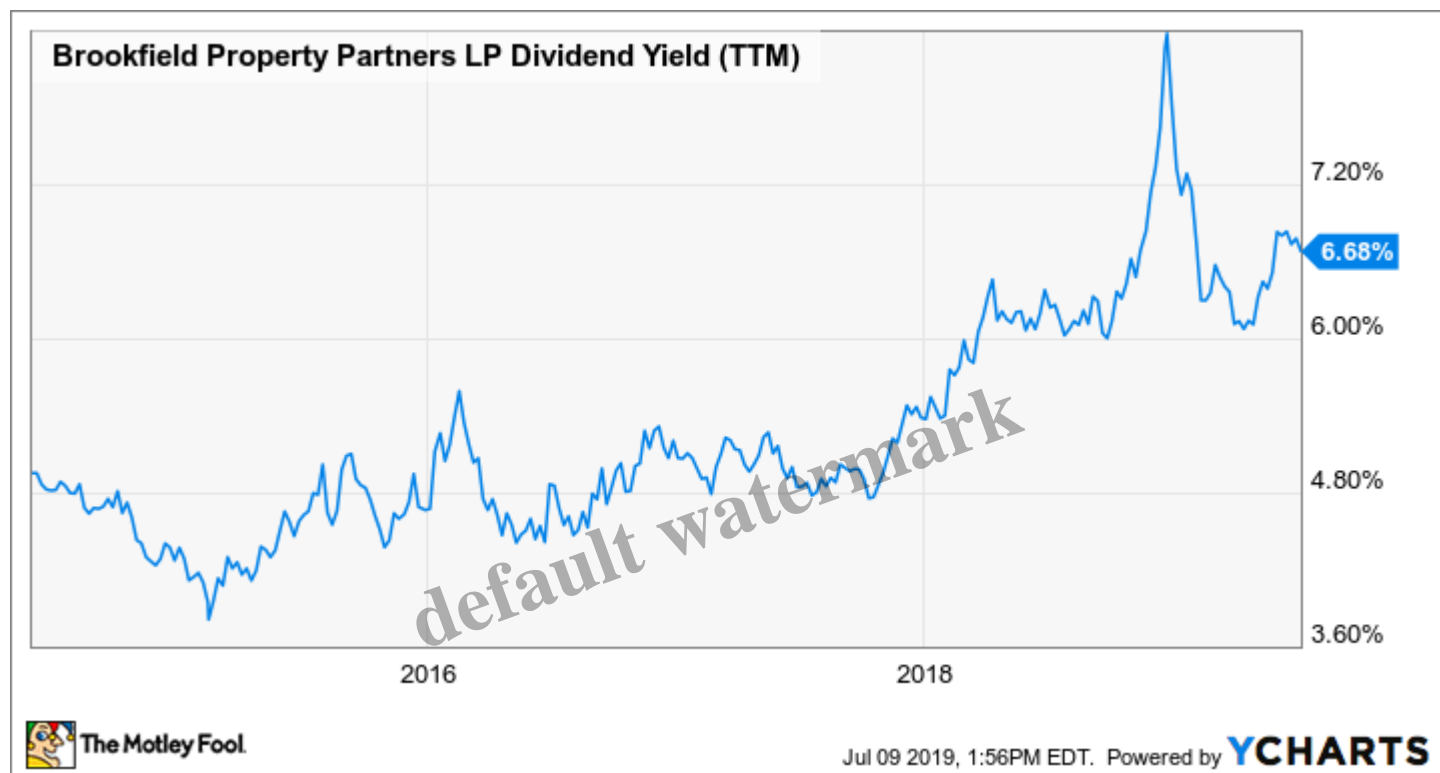
BPY has a well-rounded business model. It has about 80% of its balance sheet in its core portfolio of office and retail assets with high occupancy rates and generate stable cash flows. The remainder portfolio of opportunistic investments provides operational upside while generating income.

Part of the company's ongoing strategy is to sell mature stabilized assets; BPY aims to sell net proceeds of US\$1-2 billion every year. For example, in the first quarter, it sold assets in its

opportunistic portfolio for gross proceeds of US\$500 million, 3.6% higher than the accounting value of the assets.

The company is currently using those proceeds to buy back its shares, which it believes to be trading at a substantial discount of roughly 33% below its fair value.

That's why now is the perfect opportunity to buy BPY stock for a high yield of about 6.8%. Moreover, the company is determined to increase the cash distribution by 5-8% per year.



BPY Dividend Yield (TTM) data by YCharts

## NorthWest Healthcare for a 6.6% yield

**NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](https://www.nwhreit.com)) is a unique Canadian REIT that owns a globally diversified portfolio of hospitals, healthcare facilities, and medical office buildings throughout major markets in Canada, Brazil, Germany, The Netherlands, Australia, and New Zealand.

Its net operating income (NOI) mix in the first quarter was 39% Australasia, 26% Canada, 22% Brazil, and 13% Europe. Its international exposure boosts the reliable REIT's occupancy because its international portfolio's occupancy is greater than 98%.

The healthcare REIT asset class is very stable as highlighted by NorthWest Healthcare's high portfolio occupancy of 96.8% and long-term leases with a weighted average lease expiry of 13 years!

Further, more than 70% of its NOI is indexed to inflation, which drives organic growth. NorthWest Healthcare generates very stable cash flows to support its cash distribution.

NorthWest Healthcare's adjusted funds from operations payout ratio is about 89%, which is at the high end even in the REIT world. However, the stable nature and organic growth of the REIT should be able to sustain its cash distribution, which equates to a yield of about 6.6% currently.

## Retiree takeaway

Retirees (and any income investor for the matter) can rely on Brookfield Property and NorthWest Healthcare to generate stable income. Between the two, Brookfield Property is [a better bang for your buck](#) today due to is undervalued shares, higher yield, and dividend growth potential.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### 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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