



Retirees: 2 High-Yield REITs to Hold for Life!

Description

It's not a mystery as to why REITs are such a popular [alternative asset](#) amongst retirees. They offer older investors the best of both worlds, higher yields and a lower degree of volatility relative to stocks.

Although REITs aren't exactly safe from downside in the event of a steep recession, as we witnessed in 2007-08, when many REITs lost over half their value. They tend to hold their own in non-crisis bouts of volatility similar to what we've been facing over the past two years.

This piece will have a look at two of the most promising REITs with [yields at the higher end](#) (yields higher than 6%). Without further ado, here they are:

NorthWest Healthcare REIT

Up first, we have **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)), a REIT that's fortunate enough to be in a real estate sub-industry that's facing long-lived tailwinds.

As the Baby Boomer cohort continues to age, the demand for hospital stays, doctor visits, and other medical services is slated to increase considerably, and with that the demand for healthcare properties.

Call it the healthcare real estate boom, if you will.

It's not just ageing boomers that'll propel the demand for health properties, however. Rapidly rising populations will also be a boon for the healthcare REITs.

NorthWest is well positioned to grow its AFFOs over time with its promising portfolio of income-producing properties across Canada, Germany, Brazil, Australia, and New Zealand. With a bountiful 6.8% distribution, and a 0.8 beta, NWH.UN is a top bet for retirees who want significant income and less volatility.

Inovalis REIT

Inovalis REIT ([TSX:INO.UN](#)) is the best high-yield REIT that most retirees have never heard of. The REIT owns compelling office properties, primarily in the French and German markets.

Inovalis REIT sports a 7.9% yield and is within 1% of hitting new all-time highs, meaning that Inovalis is one of the few securities with a near 8% yield that's not accidentally high, or high due to substantial depreciation in share price.

Although the REIT is quite small, with a market cap just under \$250 million, the REIT is capable of growing quicker than most other large REITs with yields that are far lower. That's the advantage of being agile, and unlike small-cap equities, small-cap REITs like Inovalis are safer to own thanks to strict distribution rules.

With a mere 0.45 beta, Inovalis is one less correlated to the broader markets, so retirees worried about geopolitical tensions can rest easy as they collect their handsome monthly income payments.

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TICKERS GLOBAL

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

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