Retire Early With These 6.5%-Yielding REIT Stocks

Description

The economic condition is worsening day by day. A recession is looming just on the horizon, signalling potential layoffs and downsizing. The value of the property has gotten too high for most new homeowners. In such tough financial times, early retirement might seem like a foolish dream. But with some smart investments, you might be able to build a retirement fund fast enough for a comfortable early retirement.

One smart way to build yourself a nice, big nest egg is to invest in dividend stocks. In dividend stocks, REITs have always been considered safe and well-paying investments. REITs provide the lucrative nature of investing in property, without the responsibilities of being a landowner. Many REITs have a dividend yield high enough to help you accumulate significant savings in a small amount of time.

NorthWest Health Prop Real Est. (TSX:NWH.UN), and **Slate Office REIT** (TSX:SOT.UN) are two such REITs. With dividend yield around 6.5%, these stocks have the potential to aid in your early retirement.

Healthy buildings

NorthWest has a robust portfolio of health-related real estate, spread out globally. The company has distributed its operation in four segments: Europe, Brazil, Australasia, and Canada. This diversified portfolio and extensive international exposure shield the company from localized economic downturns in any one of the countries in which it operates. Plus, hospitals, clinics, and laboratories make for secure long-term leases.

NorthWest's investment strategy and reach have certainly paid off. The market value of the company has increased by almost 20% in the past five years. And with a beta of 0.89, the company seems relatively stable. Currently, NorthWest is trading at the weekly low of $11.89 per share.

The company is currently providing a juicy dividend yield of 6.73%. The company has paid consistent dividends of $0.8 per share for the past five years. And though the current yield is lower than the previous five years, the number is still large enough to increase the pace of your savings significantly.

Official business

The other REIT that can help you retire early is Slate Office REIT. The company owns 38 properties, covering about 7.5 million square feet. The company mostly operates within the country. A significant chunk of the revenue comes from the rent. This indicates a dependable and safe revenue stream.

Slate Office REIT is currently trading at the monthly low of $6.17 per share. The company has increased its revenue generation by 4.6% from the same time this year. Though the other numbers do not look that good, the net income and net profit margin have gone significantly down from last year.

The better number is the company's dividend payout. The current dividend yield of the company is 6.48%. The company is working towards improving its balance sheet, and maybe in the future, all the numbers related to the company start coming up in green.

Foolish takeaway

The dividend yield of both companies is enough to build a decent retirement fund. Whether you are going with a TFSA, an RRSP, or a combination of both, a yield of 6.5% will get you to your ideal number much faster. You can boost the process by reinvesting your dividend payouts.

Nevertheless, it is possible to save enough to early retirement with either NorthWest or Slate Office REIT. Though if we were to lean towards one, that would be NorthWest.

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1. Dividend Stocks
2. Investing

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1. Editor's Choice

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