2 Healthcare Dividend Stocks Yielding Up to 10% to Buy Today

Description

The **S&P/TSX Composite Index** was down over 350 points in early afternoon trading on March 23. There is considerable fear and uncertainty as governments consider harsher lock-down measures as most citizens enter the second week of the shutdown.

Nearly every sector has been negatively impacted, and the worst damage could be yet to come if these measures remain in place in April and beyond.

Today I want to look at two healthcare-linked stocks that have been battered in this selloff. These stocks are worth monitoring in this crisis as more attention will turn to long-term care facilities, hospitals, and other care centres. Let's dive in.

Sienna Senior Living

Sienna Senior Living (TSX:SIA) provides senior housing and long-term care (LTC) services in Canada. The COVID-19 outbreak has disproportionately threatened senior citizens across the globe, which should highlight an industry witnessing soaring demand. Shares of Sienna have dropped 41% month over month as of early afternoon trading on March 23.

Aging demographics are expected to support huge growth in the long-term care market in the years and decades to come. Sienna released its fourth-quarter and full-year results for 2019 on February 19.

For the full year, revenue rose to $669 million compared to $641 million in the prior year. LTC delivered same property NOI growth of 1.4% and average occupancy in LTC remained high at 98.3%.

Shares of Sienna are now trading close to its 52-week low. The stock last possessed a sky-high price-to-earnings ratio, but a favourable price-to-book value of 1.3. Sienna last paid out a monthly distribution of $0.078 per share, which represents a strong 8.8% yield.

NorthWest Healthcare REIT

NorthWest Healthcare REIT (TSX:NWH.UN) is an open-ended real estate investment trust that provides investors with access to a portfolio of high-quality healthcare real estate.

Shares of the REIT have dropped 42% month over month at the time of this writing, dragging the stock down for the year-over-year period, wiping out its impressive gains in 2019.

The REIT had a very positive 2019 and looks like a reliable income vehicle going forward. AFFO per unit climbed 3.7% year-over-year to $0.84 on the back of strategic acquisitions, increased management fees, and SPNOI growth. Portfolio occupancy finished the year at 97.3%, up 60 basis points from the previous year.

NorthWest Healthcare generated total unitholder return of 35% in 2019, which outperformed the Canadian REIT Index and the S&P/TSX Composite by 1,200 basis points.

Health care properties have been extremely reliable over the long term. This REIT has expanded geographically as well, adding six high quality private hospitals in the United Kingdom.

The stock last had a favourable P/B value of 0.8. Shares last had an RSI of 21, which puts Northwest Healthcare well into technically oversold territory.

The stock last paid out a monthly distribution of $0.06667 per share, which represents a monster 10.6% yield. While it’s Northwest has fallen victim to the broad sell-off, it’s still a promising target for income investors going forward.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
2. TSX:SIA (Sienna Senior Living Inc.)

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aocallaghan