



Collect \$1,000 in Monthly Passive Income From 2 High-Yield Dividend Stocks

Description

Now's the best time in 10 years to shop for monthly passive income. The flash market crash dragged down stock prices and boosted the yields of stocks. If you're looking for high-yields stocks in particular, you should turn your attention to these Real Estate Investment Trust ([REITs](#)).

NorthWest Healthcare Properties REIT

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) offers monthly passive income that you'll drool over. The stock is 42% cheaper than it was in February. At \$7.54 per unit at writing, the globally diversified healthcare REIT offers a whopping yield of 10.6%.

Over the years, NorthWest Healthcare Properties has forged strong relationships with leading healthcare operators, including LifeLabs and Shoppers Drug Mart in Canada, Healthscope in Australia, and Rede D'Or in Brazil.

The REIT has about 175 properties, including hospitals, healthcare facilities, and medical office buildings. Its portfolio has a weighted average lease expiry of nearly 14 years, including cash flows that are indexed to inflation. Coupled with a high occupancy of 97.3% and a payout ratio of about 87%, its high yield is quite secure.

Investing merely \$113,208 in the REIT will generate \$1,000 of monthly passive income. The REIT's cash distributions tend to be capital gains or return of capital. The cash distributions are therefore taxed like capital gains eventually.

Specifically, the return of capital portion reduces your adjusted cost basis, which means that the portion is tax deferred until you sell your units or until your adjusted cost basis turns negative.

Ultimately, it means that you should consider holding NWH.UN shares in a taxable or Tax-Free Savings (TFSA) account.

Dream Industrial REIT

Dream Industrial REIT ([TSX:DIR.UN](#)) also provides juicy monthly passive income. The stock is 43% cheaper from its high in February. At \$8.02 per unit at writing, the globally diversified healthcare REIT offers a high yield of 8.7%.

Along with its Canadian presence, Dream Industrial REIT has expanded its portfolio into the United States, and more recently, Europe. Its portfolio consists of gross leasable area of 26 million square feet across roughly 263 properties.

The REIT's rationale for expanding into Europe includes the fact that there are lower levels of e-commerce penetration in Europe than in North America.

Combined with a low supply of industrial and logistics space and leases that are largely indexed to inflation, Dream Industrial should be able to experience decent rental rate growth from this geography in a normal economic market.

Last year, Dream Industrial REIT posted strong organic growth with 4.1% comparable properties net operating income growth.

You can generate monthly passive income of \$1,000 from the industrial REIT by investing \$137,458. The REIT's cash distributions can consist of other taxable income, foreign income, return of capital, and capital gains. Therefore, holding the stock in a TFSA, RRSP, or RESP may be more suitable.

The Foolish bottom line

If you need monthly passive income, the current bear market gives you an excellent opportunity to buy [quality high-yield](#) REITs like NorthWest Healthcare Properties REIT and Dream Industrial REIT at a steep discount.

This means that not only can you get yields of about 8-10% from them, but you can also expect amazing price appreciation potential over the next few years after the market normalizes.

CATEGORY

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

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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