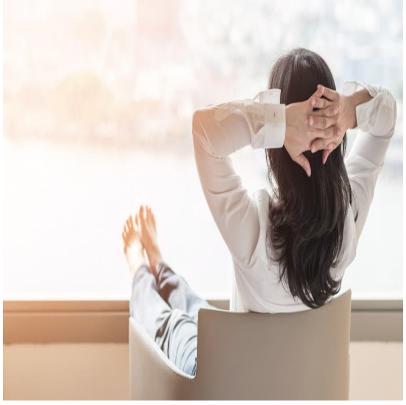

Hooray! A Market Crash Is Your Chance to Get Rich

Description

A market crash strikes fear because losses could be considerable and unrecoverable. The **TSX** fall 12.3% in a single day at the height of the coronavirus-induced selloff in March 2020. Nevertheless, you can still make profits and get rich in a falling market. You can purchase stocks cheap and anticipate massive gains over time.

In the real estate sector, specific real estate investment trusts (REITs) are losing significant value. For instance, REITs leasing office commercial spaces might see vacancy rates increase because people will be working from home. The future is dimmer if work-from-home becomes a permanent arrangement.

On the bright side, REITs with industrial properties and healthcare facilities should benefit from the sea of change. The rental businesses of **Summit Industrial** (TSX:SMU.UN) and **NorthWest Healthcare Properties** (TSX:NWH.UN) are COVID-resistant and will not experience outsized struggles like other REITs.

Robust demand

Summit Industrial is well positioned to ride out the storm. The share price fell sharply to $6.83 in March despite of the negligible impact of the coronavirus outbreak. As of August 7, 2020, the stock is trading at $12.31 per share, or a resounding 80% climb from its COVID-19 low. The dividend offer is a respectable 4.32%.

This $1.69 billion REIT owns and manages a portfolio of light industrial properties across Canada. Industrial REITs were already doing well pre-corona and should fare better in post-pandemic. The demand for warehouses and distribution centers are rising. Furthermore, the tenants of Summit are thriving — another takeaway.

Summit's 96% and 90.7% rents collected in July and June 2020 are proof of the REIT's financial stability in the health crisis. The rest of the tenants have payment plans or rent deferral arrangements for a specified period in exchange for lease extensions. You can expect strong cash flows and robust portfolio growth in the ensuing quarters.

Niche play

NorthWest Healthcare should provide steady income and higher returns to would-be investors. This $1.99 billion global REIT owns a portfolio of hospitals, medical offices and facilities. Healthcare is the right sector to invest in — and NorthWest is the only Canadian REIT in the cure segment.

At $11.35 per share, this REIT pays a high 7.05% dividend. A $20,000 investment creates $1,410 in passive income. The growth estimate in the next five years is 12.5% per annum. You'd have a pure dividend play if you were to take a position in Northwest Healthcare.

The diversified portfolio consisting of 183 income-producing properties in major markets (Canada, Australia, Brazil, Germany, New Zealand, and the Netherlands) has long-term leases, all of which have stable occupancy. NorthWest is playing a critical role in the evolving practice trends and real estate needs in the healthcare industry.

Millionaire factories

Building "real" wealth is possible in a market crash. When choosing, the assets should match your investment objectives. Assess the financial impact of the crisis on the business models and its revenue-generating potential. Finally, check whether the prospects would fit into developing market trends.

Industrial and healthcare REITs are among the attractive investment choices in 2020. Summit Industrial and NorthWest Healthcare are likely to outperform the general market in the coming years. Both are millionaire factories for income-investors.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
2. TSX:SMU.UN (Summit Industrial Income REIT)

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Date
2025/09/04
Date Created
2020/08/11
Author
cliew