Got $2,000? 2 Super REITs to Buy Now

Description

Canada's real estate market has come back with a vengeance in the summer of 2020. Today, I want to look at one REIT and one real estate stock that both offer big income. This is a solid income source for investors with some cash to spend in September. Better yet, these stocks are well worth targeting, as the spotlight is on healthcare and long-term-care facilities. Let's dive in.

This healthcare REIT is a dividend beast

The government originally instituted lockdowns under the pretense of keeping hospitals from being overwhelmed. The strategy has evolved since then, but the spotlight is still on healthcare facilities. One of my favourite real estate investment trusts (REITs) is focused on holding high-quality properties in this space.

Northwest Healthcare REIT (TSX:NWH.UN) is an open-ended REIT that provides investors with a portfolio of high-quality international healthcare real estate infrastructure. Shares of Northwest have climbed 2.8% in 2020 as of close on September 16. The stock is up 7.8% year over year.

In Q2 2020, Northwest reported net operating income of $69.9 million. This was largely flat from the prior year. Meanwhile, portfolio occupancy held at 97.3%, with its international portfolio holding at 98.8%. More than 80% of Northwest's revenues were provided directly or indirectly by public healthcare funding. Because of this, the REIT has not been negatively impacted by the COVID-19 pandemic. This makes it one of the best defensive options on the market.

Shares of Northwest last possessed a price-to-earnings ratio of 13 and a price-to-book (P/B) value of 1.3. This puts the stock in attractive value territory. Moreover, it offers a monthly dividend of $0.07 per share. This represents a tasty 6.8% yield.

Don't sleep on this long-term-care stock

Sienna Senior Living (TSX:SIA) provides senior housing and long-term-care (LTC) services in

Canada. The COVID-19 pandemic has also put a huge focus on LTC facilities. Tragically, more than 80% of total COVID-19 deaths in Canada occurred in LTC facilities. Provincial governments have vowed to undergo a review of conditions. With luck, more private and public resources will be devoted to this space.

Shares of Sienna have dropped 30% so far this year. However, the stock is up 15% over the past month. Sienna is more volatile than your typical REIT, but it does offer comparable income to some of the heavy hitters. The company updated its second-quarter 2020 results on August 12.

As of August 11, the company announced that there were no COVID-19 cases at any of its 83 owned or managed residences. From March to July, Sienna hired approximately 900 full-time and 1,000 part-time staff members. Meanwhile, average occupancy in its LTC portfolio was 92.6%.

Sienna stock last had a favourable P/B value of 1.6. In September, the company announced a monthly dividend of $0.078 per share. This represents a monster 7.7% yield. Sienna offers big income that is competitive with the top REITs on the TSX. There will be increased focused on LTC facility funding after this tragic year. Sienna is worth watching 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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