Passive Income Investors: Earn $800/Month From 2 REITs

Description

More than ever Canadians need passive income. That’s why the Canada Recovery Benefit (CRB) and its peers have been so successful. The problem is, unless you fall within very specific circumstances, it’s likely you may have to repay those CRB payments.

In fact, the Canada Revenue Agency (CRA) recently reported that 213,000 Canadians will need to repay these CRB payments. So there goes that passive income. For investors still needing an extra cash stream during this economic downturn, there are other options.

Real Estate Investment Trusts (REITs) are a great option, even during this crisis. These REITs offer strong dividends, as the companies much pay out 90% of taxable net income to shareholders, and this usually happens as dividends. There are many REITs out there that could struggle with retailers closing in lockdowns, and a housing crisis on the way. So what can investors do for passive income?

REIT options

When searching for passive income REITs, investors should seek those within strong industries. There are two areas specifically to consider. First, there is the healthcare industry. Healthcare has seen huge investment during the pandemic, so this area is likely to continue doing well.

Afterward, the healthcare sector will have this investment to move even further. Occupancy is at all time highs, and this will continue throughout the pandemic at least.

Then there’s the e-commerce sector. There are properties that simply store and ship products for the e-commerce sector. These properties will continue to grow in number as the e-commerce industry booms. What the world thought we would see in the next decade has suddenly happened over night with the work-from-home economy. So e-commerce should continue to boom and even surpass retail locations in sales by 2030.

Two solid options

For the healthcare sector, I would definitely look into **NorthWest Healthcare Properties REIT** (TSX:NWH.UN). This company has had 99% occupancy rate, and saw revenue grow an incredible 10.98% year over year during the latest earnings report. Shares have grown 6% in the last year, and the company has a strong 6.64% dividend yield as of writing.

What's great about NorthWest is that it also has a diverse range of healthcare properties. It ranges from hospitals to office locations, pharmacies to care facilities — and the REIT continues to purchase more properties around the world. So this stock is likely only in the beginning of its strong path of growth.

For an e-commerce option, I would buy up **WPT Industrial REIT** (TSX:WIR.UN). This company owns 102 properties across the United States for shipping and storing products for e-commerce companies. WPT Industrial continues to buy up properties to expand its portfolio, so again this company is likely only in the beginning stages of growth.

The company has seen year-over-year increases of 42% in revenue during the last two quarters. Earnings per share have increased 61%, with shares up 44% during the last five years. And of course, it offers 5.59% dividend yield as of writing.

Bottom line

By investing $72,000 in NorthWest, you could bring in $4,800 in passive income per year, and $400 per month. Then, by investing $82,108 in WPT Industrial as of writing, that would bring in another $4,800 and $400 per month for a total of $800 per month in passive income from a $154,108 investment.

CATEGORY

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3. Investing

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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1. Business Insider
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Date
2025/08/22
Date Created
2020/11/29
Author
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