



Want a Quick Boost in Income? Bring Home 2 Cash Cows

Description

Children place extra coins in their piggy banks to save money. But for older people or working individuals, saving and investing are the ways to make money or build wealth for the future. Most investors prefer stocks over other assets because potential returns are higher. However, for income investors, dividends are more important than capital gains.

[Dividend stocks](#) deliver constant, recurring cash flows. Fortunately for Canadians, they can boost their income further with real estate investment trusts (REITs). **NorthWest Healthcare Properties** ([TSX:NWH.UN](#)) and **True North Commercial** ([TSX:TNT.UN](#)) are cash cows on the **TSX**. The two REITs boast stable property rental businesses and pay [ultra-high dividends](#).

Top choice in the pandemic

NorthWest became a [popular investment choice](#) during the health crisis. The \$2.82 billion REIT owns and operates real estate healthcare infrastructure such as hospitals, clinics, and medical office buildings. It's also the only REIT in the cure sector. Furthermore, NorthWest is the leading healthcare REIT globally.

The share price (\$13.10) is within reach, and the dividend yield is a fantastic 6.13%. Assuming you buy \$6,000 worth of shares to place in your Tax-Free Savings Account (TFSA), the tax-free income is \$367.80. Your TFSA balance should grow faster as you add more shares and maximize your investment account every year.

In Q2 2021, NorthWest's 190 income-producing properties delivered a net income of \$81 million, or 125% higher than in Q2 2020. While the occupancy rate fell slightly to 96.7%, funds from operations increased 25% to \$42.3 million. The REIT acknowledges that the focus on the global healthcare industry remains intense.

Apart from growing its global asset management platform, NorthWest continues to drive value-add opportunities. With the weighted average lease expiry at 14.2 years, investors can expect uninterrupted income streams.

Solid tenant base

True North Commercial is an excellent dividend play. The key takeaways for this \$661.64 million REIT are the long-term leases with government and credit-rated tenants. This REIT is relatively small but is more stable than most REITs. The federal government of Canada and three provincial governments are anchor tenants in some of its 45 office properties.

NorthWest's tenant profile makes it an attractive investment option. The federal government of Canada accounts for 14.2% of gross revenue with a remaining lease term of 6.3 years. Overall, the weighted average lease expiry is 4.9 years. Staples Canada ULC has the most extended lease term at 12.3 years.

In the first half of 2021, the occupancy rate of 97% is the same as a year ago. However, NorthWest experienced an identical 1% dip in revenue and net operating income. The plan throughout this year is to continue investing capital in its properties.

Meanwhile, management expects investment activities to remain limited and lower than historical levels due to the COVID-19 pandemic. For prospective investors, True North's share price is \$7.54, while the dividend yield is 7.88%. Given the very high yield, any investment account will double in nine years.

Boost your income instantly

Cash cows NorthWest Healthcare and True North Commercial can instantly boost your income. Both pay high dividends and are not mediocre stocks. Their share prices have held steady since the onset of the pandemic until today. Finally, the rental businesses should also remain stable for years.

CATEGORY

1. Dividend Stocks
2. Investing
3. Personal Finance

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
2. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

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