2 Dividend Stock REITs Investors Should Buy in Bulk

Description

Motley Fool investors seeking passive income from a solid dividend stock or two have some strong options. The problem is, many continue searching in the same places! There are plenty of strong real estate investment trusts (REITs), but many have already seen an increase in share price.

So instead, it's time to think about the future, based on strong historical performance. In this case, today I'm going to cover two strong companies that belong in your dividend stock portfolio.

Dream Industrial REIT

If you want a solid dividend stock, you need a company that can deliver based on diversified income. That's what **Dream Industrial REIT** (TSX:DIR.U) offers. The company owns and operates more than 317 properties across North America and Europe, and is growing all the time. Most recently, it received a $288 million equity offering to help fund the many acquisitions it plans to undertake.

The company has earnings due on November 2, and last quarter's earnings were strong. The dividend stock saw an 11% increase in year-over-year funds from operations, with its net asset value increasing 16.5% year over year. Further, net rental income came in at 20.6% higher than the year before, with $1.8 billion in acquisitions completed by the end of the quarter — all while retaining a 98% occupancy rate.

With more acquisitions coming online, this company is a strong dividend stock to consider. Shares trade at $16.75 as of writing, with a P/E ratio of just 8.56. Further, it offers a dividend yield of 4.14%. That would turn a $20,000 investment into $835 in passive income for Motley Fool investors.

NorthWest Healthcare REIT

Industrials are a strong investment, but so is healthcare. Neither industry will see much sway with the markets, but with healthcare that's especially true. We saw this during the pandemic when the essential services provided by **NorthWest Healthcare Property Units REIT** (TSX:NWH.UN) continued to collect rental income. Not just from hospitals and doctor's offices, but office buildings and housing as well.

Yet this is a dividend stock Motley Fool investors continue to ignore despite its incredible value! NorthWest has been in an acquisition frenzy, buying up major properties and even an Australian healthcare REIT to expand its operations. Again, earnings are around the corner, and NorthWest delivered strong earnings last quarter. Its cash collection remained stable at 98.8%, up 20 basis points quarter after quarter. Further, it increased its total assets under management (AUM) by 20.9% year over year to $8.3 billion.

Shares trade at $13.40 for the dividend stock with a P/E ratio of 9.54, with a yield of 5.95%, dished out monthly. That would turn a $20,000 investment into $1,194 each year!

Foolish takeaway

Whether you're a Motley Fool investor looking for the right dividend stock or just wanting some extra passive income, these stocks are perfect. The market continues to ignore them, offering a slim chance to get in before others discover what they're missing.

Each provides a solid dividend yield supported by acquisition growth that will last for years. And with revenue increasing, again and again, it won't be long before share returns follow.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

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