



## 2 Real Estate Stocks to Buy Now

### Description

The **TSX**'s bull run to start the last quarter finally ended on October 26, 2021. But despite the 0.5% (111.30 points) drop to 21,173.50, the stock market remains in record territory. Katherine Judge, director and senior economist at **CIBC** Capital Markets, said investors await the economic update from the Bank of Canada, particularly gross domestic product and inflation forecasts.

Only the financial sector advanced on Tuesday, while technology and healthcare led the ten decliners. Meanwhile, the [real estate sector](#) maintains second place after energy as the top-performers year-to-date. It outperforms the TSX, +30.31% versus +21.45%.

Dividend investors looking for income stability can turn to real estate investment trusts (REITs).

**NorthWest Healthcare Properties** ([TSX:NWH.UN](#)) and **Nexus** ([TSX:NXR.UN](#)) are the real estate stocks you can buy today. The average dividend yield is 5.41%, so a \$25,000 position in each will generate \$2,705 (annual) in [passive income](#).

### Only REIT in the cure sector

NorthWest Healthcare is in the limelight because of the health crisis and will stay there in the months ahead. The \$2.88 billion REIT owns high-quality healthcare infrastructure assets in Canada, Europe, and Australasia. Accretive developments worth \$320 million are under construction or in the pipeline.

The only REIT in the cure sector said value-add development opportunities are more than \$1 billion. It expects to complete an additional \$27 million of approved projects from Q4 2021 to Q4 2023. NorthWest is confident it can deliver substantial earnings and net asset value (NAV) due to the intense focus on the global healthcare industry.

In the first half of 2021, net income rose 125% to \$81 million compared to the same period in 2020. All 183 properties were open and operational during the period. The occupancy rate is a high of 96.7%, while the weighted average lease expiry is 14.5 years. Also, NorthWest's rent collections for the period were 98.8%.

The real estate stock trades at \$13.38 (+10.66% year-to-date) and offers a generous 5.95% dividend. NorthWest is suitable for risk-averse investors. The tenant base is essential, and demand for healthcare services and support is ever-growing.

## Pure-play industrial REIT

Nexus is perhaps the best REIT today. At \$13.13 per share, the trailing one-year price return is 97.74%, while the year-to-date gain is 78.74%. The \$575.81 million REIT is growth-oriented and focused on in-demand industrial properties. Its topmost priority is to scale by pursuing growth opportunities.

In the first half of 2021, net income and comprehensive income was \$60.85 million, or a 196% year-over-year growth. Notably, net operating income (NOI) and property revenue growths were 25% and 24%, respectively.

According to Kelly Hanczyk, CEO of Nexus, 2021 is a breakout year for the REIT. Hanczyk cites the significant progress in its journey to transforming and becoming a pure-play industrial REIT. Since the start of 2021, the completed transactions of industrial acquisitions have reached more than \$640 million.

On October 19, 2021, Nexus announced taking a 50% ownership stake in a newly constructed automated grocery customer fulfillment centre. The property in Pointe-Claire, Quebec is fully leased to an **Empire** subsidiary on a triple net basis, and the lease contract is long-term.

## Be a pseudo-landlord

With the current [housing bubble](#), NorthWest Healthcare and Nexus are your best alternatives to owning physical properties. It's an opportunity to be a pseudo-landlord in the healthcare and industrial property segments.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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

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