



2 REITs That Could Give You \$350 of Monthly Income

Description

Real estate investments trusts (REITs) are attractive investment options for passive-income seekers. The asset class are like regular dividend stocks, but divided into different sub-sectors within the real estate industry to suit [investors' preferences](#). Today, **NorthWest Healthcare Properties (TSX:NWH.UN)** and **True North Commercial (TSX:TNT.UN)** are ideal hedges against inflation for their high yields.

Their average dividend yield is a fantastic 7.61%. A combined investment of \$55,200, or \$27,600 worth of shares in each REIT, translates to \$350.06 in passive income every month. While both real estate stocks trade at a discount, the payouts should be sustainable because of their solid tenant base.

Global real estate investor

NorthWest Healthcare is the one and only REIT in the cure sector. In the last 10 trading days, the stock has gained 2.73%. At \$13.15 per share, the dividend offer is 6.14%. This \$3.13 billion REIT is a global real estate investor that focuses on medical office buildings, hospitals, and clinics. You can include research as part of its growth strategy.

Since the REIT's establishment 18 years ago, the real estate portfolio has grown to 202 high-quality, income-producing healthcare properties. Besides Canada, you can find NorthWest's properties in Australia, Brazil, Germany, New Zealand, the U.K., and the United States.

Leading healthcare operators around the world prefer to forge partnerships with NorthWest because of its long-term ownership strategy. At the close of Q1 2022, the weighted average lease expiry was 14.6 years, while the occupancy rate was a high of 97%.

Dalla Lana, NorthWest's chairman and CEO, said, "Despite the evolving macro-economic environment and rising inflation and interest rates the REIT is well positioned with more than 80% of global revenue subject to annual indexation." In the three quarters ended March 31, 2022, net operating income (NOI) and net income increased 9.2% and 66.6% versus Q1 2021.

Mr. Lana disclosed that entering the U.S. and executing the joint-venture initiatives in both the U.K. and the U.S. are NorthWest's key priorities in 2022. Management is more than excited with the strong start this year and inaugural entry in the American market last month.

Strong leasing momentum

Like NorthWest, True North seems to have gained momentum in the last two weeks (+3.3%). The share price is only 6.57%, but the dividend yield is an eye-popping 9.08%. This \$1.15 billion REIT owns and operates commercial properties (46) scattered in Canada's select strategic secondary markets.

The "true" advantage of this REIT is its long-term leases with government and credit-rated tenants. Among its anchor tenants are the federal government and about four provincial governments. The lifting of COVID restrictions and return-to-office plans of tenants bode well for True North.

Still, the REIT collected 99.5% of contractual rent in Q1 2022. Tracy Sherren, True North's president and CEO, said, "We were encouraged by the increased leasing momentum in the quarter." In the first three months of this year, NOI and net income increased 5.2% and 53.4% versus Q1 2021.

Exceptional income providers

Some market analysts say that REITs perform better during low interest rate environments. However, NorthWest and True North seems to be going against this observation. Both remain exceptional passive-income providers amid rising interest rates.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

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