



3 Top Real Estate Stocks for Monthly Dividend Income

Description

If you're looking for monthly dividend income, real estate is the place to be. Not many stocks pay monthly dividends, but in the real estate sector it's quite common. Particularly when it comes to real estate investment trusts (REITs).

REITs are companies that [invest in real estate](#). Examples of their holdings include apartment buildings, office buildings, and malls. Legally, they're more like [exchange-traded funds](#) (ETFs) than individual stocks, but in practical terms, they are individual companies.

If you want to get high monthly dividend income in your portfolio, real estate stocks (including REITs) are good assets to consider. In this article, I will explore three real estate stocks that have high yields that are paid monthly.

First National Financial

First National Financial ([TSX:FN](#)) is a mortgage lender that makes money helping people buy real estate. It offers mortgages to both residential and commercial clients. The business model involves helping people find mortgage loans that suit their needs.

First National works with mortgage brokers to align themselves with prospective buyers. Many times, when people buy homes, they go to mortgage brokers to see if it's possible to get a lower interest rate than their bank would offer. First Financial plays a vital role in making this kind of price shopping possible.

Mortgage lending could potentially be a good business in 2022. Interest rates are going up, which makes borrowing more expensive. We could see more Canadians turn to mortgage brokers and specialist lenders, so they can find better rates than they'd get from banks. If that turns out to be the case, then we'd expect FN's business to grow. Indeed, FN's per share earnings grew 17% in the [most recent quarter](#).

Northwest Healthcare Properties REIT

Northwest Healthcare Properties REIT ([TSX:NWH.UN](#)) is a Canadian REIT that invests in healthcare office space. Its mix of properties includes office buildings, health clinics, and more. The company leases out space to tenants in Canada and Europe. Both regions' healthcare systems are government funded, so NWH.UN's revenue tends to be very stable. In 2020, when the COVID-19 pandemic was challenging many peoples' ability to pay rent, Northwest Healthcare collected 97.5% of the rent it would collect in a typical year. This is much better than most mall REITs did in the same period.

NWH.UN boasts a number of attractive metrics. In its most recent quarter, it had a 98% overall occupancy rate, and boasted positive growth in funds from operations (a special cash flow measure that REITs use). This year, NWH.UN is working on its first acquisitions in the U.S., which could take its business to new heights.

Killam Apartment REIT

Last but not least, we have **Killam Apartment Properties REIT** ([TSX:KMP.UN](#)). This is a residential REIT that leases out apartments mainly on the East Coast. The Maritimes, unlike most of Canada, are not seeing a severe real estate correction this year. In fact, house prices are going up in St. John's, and they're barely down in markets like Halifax. This bodes well for Killam being able to maintain its portfolio value over the next year. This REIT has a 90% satisfaction rating from tenants and is one of the biggest landlords on the East Coast. And, of course, its 4.1% dividend is paid monthly.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FN (First National Financial Corporation)
2. TSX:KMP.UN (Killam Apartment REIT)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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Author

andrewbutton

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