



## 1 Dirt-Cheap REIT (With an 8.5% Yield) to Buy Before 2023

### Description

**Northwest Healthcare REIT** ([TSX:NWH.UN](https://www.nwhreit.com)) is a Toronto-based [real estate investment trust \(REIT\)](#) that owns and operates a global portfolio of high-quality healthcare real estate. This stock proved to be a fantastic hold during the COVID-19 pandemic. However, it has run into some major turbulence in 2022. Today, I want to discuss why I'm looking to snatch up this REIT before the new year. Let's jump in.

### How has Northwest Healthcare REIT performed in 2022?

Shares of Northwest Healthcare REIT have [plunged 31%](#) in 2022 as of close on December 20. The stock has dropped 7.9% over the past month. Investors can look at its recent performance with the interactive chart below.

As readers can see by this chart, this REIT lost significant momentum in the spring season. It has suffered a steady decline in the months that have followed. This provides an opportunity to add one of my favourite REITs for a [major discount](#).

### Here's why I'm looking to stash this REIT for the long haul

The future for the healthcare real estate market has looked especially bright in the aftermath of the COVID-19 pandemic. According to research from the Centers for Medicare and Medicaid Services, United States healthcare expenditures are expected to rise from \$4.1 trillion, or \$12,530 per person in 2020 to \$6.2 trillion by 2028. "Ease of access" is a top priority among a strong majority of survey respondents from Insider Intelligence. This should pique interest in medical office building investment.

### Should you be encouraged by Northwest's recent earnings?

This REIT released its results for the third quarter of fiscal 2022 on November 15. The company delivered revenue growth of 21% year over year to \$115 million in the third quarter. Meanwhile, it

posted same-property net operating income (NOI) growth of 2.5% to \$89.5 million. It reported strong portfolio occupancy of 97% which was mostly flat compared to the previous year.

Total assets under management (AUM) delivered growth of 24% to \$10.6 billion. Meanwhile, net asset value (NAV) per unit jumped 2.7% year over year to \$13.97. The number of properties held at Northwest Healthcare REIT rose to 233 as at September 30, 2022 compared to 192 properties at the end of the third quarter of fiscal 2021.

In the first nine months of fiscal 2022, this REIT posted net operating income of \$255 million — up from \$215 million in the year-to-date period in fiscal 2021.

## Why I'm buying plenty of Northwest Healthcare REIT before the new year

Shares of Northwest Healthcare REIT currently possess a very favourable [price-to-earnings ratio of 7.5](#). Relative Strength Index (RSI) is a technical indicator that measures the price momentum of a given security. This REIT last had an RSI of 22, which puts Northwest Healthcare in technically oversold territory at the time of this writing.

The REIT currently offers a [monthly dividend](#) of \$0.067 per share. That represents a monster 8.5% yield. I'm stoked about adding this promising healthcare REIT that boasts attractive income, huge income, and a bright future in a fast-growing space.

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