Retirees: Make Your Own Pension With These 3 Monthly Dividend Payers

Description

It's been a bloodbath in the Canadian stock market over the last year. The TSX Composite lose more than 10% in 2015, and through just three trading days in 2016 Canada's main stock index has already shed another 2.2%.

If the first few days are any indication, 2016 is going to be a rough year.

This is good news for folks who are looking to build a portfolio for the long term. Even if stocks continue to head lower, most dividends will continue to be paid. These dividends can either be used to buy more shares of suddenly cheaper stock, or spent on whatever. Either way, it's the dividends that are important to a retiree (or soon-to-be retiree), not the underlying share price.

Here are three monthly dividend payers that should provide great dividends years into the future.

Dream Industrial REIT

Normally, when a stock yields 10% or higher, it's a pretty accurate signal for investors to steer clear.

I believe **Dream Industrial Real Estate Invest Trst** (TSX:DIR.UN) is an exception to that rule. Dream is one of Canada's largest owners of industrial space, owning 16.9 million square feet located across 220 different buildings. Approximately 25% of the REIT's net operating income comes from Calgary, with Toronto following close behind. Dream gets 20% of income from Montreal, and 16% comes from Halifax. In short, Dream is a well-diversified company with a manageable amount of exposure to Alberta's weak economy.

Dream is on pace to generate $0.83 per share in adjusted funds from operations in 2015, and management expects to earn about that much again next year. With shares trading hands at just $7.03 each as I write this, this company is trading at just 8.5 times earnings. Additionally, book value is $651 million, while its market cap is just $412 million. That's a 37% discount to book value.

The dividend also looks to be sustainable. The distribution comes to $0.70 per share annually, which is 84% of the company's adjusted funds from operations. That's a lower payout ratio than **RioCan** has, which is viewed as the gold standard for the industry.

Shaw Communications

The big concern surrounding **Shaw Communications Inc.** (TSX:SJR.B)(NYSE:SJR) was always the lack of growth. Canadians are slowly abandoning cable in favour of streaming options, and Shaw hasn't been able to sign up Internet customers fast enough to make up for it. The only reason why Shaw hasn't really been sputtering is because it's able to push through price increases annually to its existing cable subscribers.

That all could change if Shaw's acquisition of Wind Mobile goes through. Shaw has the resources to invest in expanding Wind's network, and this deal should give it the opportunity to divest some assets the market doesn't really care for, such as its television channels. Shaw also has plenty of opportunities to market Wind's wireless offerings to millions of existing customers.

Shaw's shares are down more than 10% since the deal was announced, putting shares at just 13.3 times earnings. The monthly dividend now yields 5% and the payout ratio is a manageable 66% of earnings. Look for Shaw to continue its streak of dividend growth well in the future.

Pizza Pizza

There's a lot to like about **Pizza Pizza Royalty Corp.** (TSX:PZA), the biggest pizza franchisor in Canada. Between its Pizza Pizza and Pizza 73 banners, the company boasted 732 different locations at the end of 2014 and has plans to open 15-20 more.

Pizza continues to be popular with consumers, and it's exceptionally easy to order using a smartphone, the preferred method of today's youth. Pizza Pizza is a great innovator as well, opening up scores of locations in non-traditional spots, such as museums, sports arenas, and universities.

These efforts have led to some terrific results, at least lately. In the recently completed third quarter, Pizza Pizza reported total sales that were up 7.4% compared with last year, with the all-important same-store-sales metric rising 6.3%. This led to a dividend increase, which was the second of 2015.

Shares currently yield 6.2% and trade hands at 16.6 times earnings. It's a good entry point for a dominant fast-food provider.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:PZA (Pizza Pizza Royalty Corp.)
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