



Retirees: 2 High-Yield Stocks to Boost Your Monthly Income

Description

Income investors are always searching for new stocks that offer reliable and above-average yields.

Here are the reasons why I think **RioCan Real Estate Investment Trust** ([TSX:REI.UN](#)) and **Keg Royalties Income Fund** ([TSX:KEG.UN](#)) deserve to be on your radar.

RioCan

RioCan owns more than 300 shopping malls in Canada and just sold of its 49 properties in the United States.

The REIT sector came under pressure last year as concerns mounted that rising interest rates would put the squeeze on earnings. REITs tend to carry significant debt, so higher rates are generally a negative for the industry.

In Canada, rates are not expected to rise anytime soon, and the U.S. is probably going to take a slow and measured approach.

As such, RioCan shouldn't be overly affected.

The company's properties remain in high demand. RioCan renewed one million square feet of space in Q1 2016 at an average rent increase of 6.2%. Funds from operations for the quarter jumped 7% compared with the same period last year.

Some pundits are concerned the Internet will eventually replace brick and mortar stores. Businesses in certain segments of the market will definitely feel the pinch, but RioCan's anchor tenants operate in sectors where the Internet isn't likely to have a significant negative impact.

Grocery stores, pharmacies, and discount retailers are among the company's top tenants, and Canadians still prefer to go to the store to buy these types of items.

RioCan is using the proceeds from the sale of the U.S. properties to reduce debt and invest in new

opportunities.

One growth project is the addition of condos to some of the company's top urban locations. If the concept takes off, RioCan could see a nice boost in revenue in the coming years.

RioCan pays a monthly distribution of 11.75 cents per unit for a yield of 5%.

The Keg

The Keg opened its first restaurant 45 years ago, and Canadians have flocked to the company's upscale locations ever since.

Investors have to tread carefully when investing in restaurant names. Fads come and go, and the sector is littered with the corpses of one-time favourites that couldn't build a loyal customer base.

The Keg has remained popular because it continues to deliver on its core strengths: its great food served by friendly staff in a fun atmosphere.

Today, 100 restaurants contribute to the royalty pool, and the chain continues to deliver steady results as well as consistent distribution growth.

The company raised the payout three times in 2015 and just increased it again. The current monthly payment of \$0.09 per unit provides a yield of 6%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:KEG.UN (Keg Royalties Income Fund)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)

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Author

aswalker

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