



## Retirees: Give Yourself a Raise With These 3 Monthly Dividend Machines

### Description

It's hard to find dependable yield in 2016.

It used to be easy for retirees to generate enough income to survive. Options like government bonds, GICs, and annuities paid rates of 5-6%—easily enough for a retiree to live on without having to worry about eating into principal.

These days secure fixed-income investments aren't yielding 5-6%. An investor is lucky if they can get half that much.

This has led thousands of investors to the equity market, looking to get the income they need from stocks. There are hundreds of choices in North America that deliver, paying yields of more than 5%.

But not all of these stocks are suitable for Canadian retirees. U.S. stocks come with currency issues. An aggressive move in the Canadian dollar can quickly cut income received in local currency. And others here at home just don't have sustainable payouts.

Here are three stocks retirees can count on to deliver dependable monthly dividends—all with very attractive yields.

### Extendicare

The business of housing old folks is going to be a massive growth industry in the next few decades. **Extendicare Inc.** ([TSX:EXE](#)) is positioned nicely to capitalize on this trend.

The company recently sold its U.S. operations, which were plagued with aggressive competition and the constant threat of lawsuits. Cash from the sale was reinvested in Canada; the company bought a half dozen retirement facilities and announced it would build several more and renovate some of its existing portfolio.

The company also boosted its home-health business, buying one of its biggest competitors for \$80 million. It recently expanded the home-health business into Vancouver—the only real major market

where it wasn't already active.

These changes are expected to boost earnings in 2016. According to company projections, adjusted funds from operations can be expected to be between \$0.70 and \$0.75 per share in 2016 as these acquisitions start adding to the bottom line.

The current dividend is \$0.48 per year—good enough for an attractive yield of 5.7%. With a payout ratio of less than 70% of forward earnings, investors can count on this yield for the long term.

## Inter Pipeline

Even though shares of **Inter Pipeline Ltd.** (TSX:IPL) are flirting with a 52-week high, they're still down more than 25% off highs set in 2014.

The company recently completed a big expansion plan that greatly increased its capacity in the oil sands. Although this expansion seems ill-timed in the short term, it'll most definitely work out over a few decades. Capacity of its three main pipelines in the area is only about 50% accounted for, meaning any new production from the area flows pretty much straight to the bottom line without the need for new construction.

This is good news for a dividend that already has a stellar history of growth behind it. Dividends are projected to hit \$1.56 per share in 2016—growth of 10% annually since 2011 and 6.9% annually since 2006. The current yield is 5.6%.

## Artis

**Artis Real Estate Investment Trust** ([TSX:AX.UN](#)) is one of Canada's largest owners of real estate with a portfolio consisting of 252 properties stretched across five Canadian provinces and three U.S. states. It has more than 26 million square feet of space under management with an occupancy rate of just over 95%.

Approximately one-third of properties are located in Alberta, which has been a drag on the portfolio. But the province appears to be bouncing back from weak economic numbers. Additionally, Artis has largely maintained its overall occupancy ratio throughout these tough times for the province, suggesting it isn't really sensitive to this economic weakness.

Besides, lower oil prices bring down the Canadian dollar, which makes results from the U.S. division—consisting of 31% of its portfolio—stronger when converted back to local currency.

In 2015 Artis paid \$1.08 per share in dividends. It generated \$1.49 per share in funds from operations, giving it a payout ratio of under 73%. That's terrific for a stock currently yielding 7.9%.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. TSX:AX.UN (Artis Real Estate Investment Trust)
2. TSX:EXE (Extendicare Inc.)

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nelsonpsmith

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