



2 Income Stocks That Raised Their Dividends This Week

Description

As a savvy investor, I always check the headlines and make notes of stocks that recently raised their dividends. I do this for two reasons. First, I like to stay as informed as possible. Second, a dividend hike may introduce me to a company that I've never heard of or researched before, giving me the opportunity to learn about the company, dig deeper into its financials, and maybe even become a shareholder.

With this in mind, let's take a closer look at two income stocks that raised their dividends this week, so you can stay informed and maybe even become a shareholder of one of them.

1. Choice Properties Real Estate Investment Trust

Choice Properties Real Est Invstmnt Trst ([TSX:CHP.UN](https://www.tsx.com/stocks/CHP)) is one of Canada's largest owners, managers, and developers of commercial real estate. Its portfolio consists of 529 predominantly retail properties located across all 10 provinces that total approximately 42.5 million square feet.

In its second-quarter earnings report on July 20, Choice Properties announced a 6% increase to its monthly dividend to \$0.059167 per share, representing \$0.71 per share on an annualized basis, and this brings its stock's yield to about 5% at today's levels. The first payment at this increased rate will come on August 15 to shareholders of record at the close of business on July 29.

Investors must also make the following two notes about Choice Properties's distribution.

First, its two distribution hikes in 2016, including its 3.1% hike in January and the one noted above, have it on pace for 2016 to mark the first year in which it has raised its annual distribution since its initial public offering in 2013.

Second, its consistent growth of adjusted funds from operations (AFFO), including its 6.5% year-over-year increase to \$0.407 per share in the first half of 2016, its growing property portfolio, including its addition of 16 properties totaling 1.2 million square feet over the last year, and its very high occupancy rate, including 98.8% as of June 30, could allow 2016 to mark the starting point to an extensive streak of annual dividend increases.

2. Altagas Ltd.

Altagas Ltd. ([TSX:ALA](#)) is a North American energy infrastructure company with a mix of gas, power, and utilities assets. Its portfolio includes natural gas pipelines, processing plants, and storage facilities, wind, hydro, biomass, and gas-fired power-generation facilities, and regulated utilities that deliver natural gas.

In its second-quarter earnings report on July 21, Altagas announced a 6.1% increase to its monthly dividend to \$0.175 per share, representing \$2.10 per share on an annualized basis, and this brings its stock's yield to about 6.3% at today's levels. The first payment at this increased rate will come on September 15 to shareholders of record at the close of business on August 25.

Investors must also make the following two notes about Altagas's dividend.

First, its three dividend hikes since the start of 2015, including its 8.5% hike in May 2015, its 3.1% hike in October 2015, and the one noted above, have it on pace for 2016 to mark the sixth consecutive year in which it has raised its annual dividend payment.

Second, it has a target dividend-payout range of 40-50% of its normalized funds from operations (NFFO), so its strong NFFO growth, including its 7.8% year-over-year increase to \$1.66 per share in the first half of 2016, and its growing asset base could allow its streak of annual dividend increases to continue for many years to come.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)

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