



## 2 Top Stock Picks for Income Investors

### Description

If you're an income investor with cash on hand that you're ready to put to work, then you've come to the right place.

Let's take a closer look at why **Inter Pipeline Ltd.** (TSX:IPL) and **Chartwell Retirement Residences** ([TSX:CSH.UN](#)) are great picks for your portfolio.

#### Inter Pipeline Ltd.

Inter Pipeline is one of the largest owners and operators of energy infrastructure in western Canada and Europe. Its portfolio includes pipelines, petroleum and petrochemical storage facilities, and natural gas liquids extraction plants.

The great part about Inter Pipeline's business is that the majority of its assets are utilized on a fee-for-service basis, which means it has limited exposure to commodity prices. This has allowed it to continue to achieve success in light of low oil and natural gas prices, including a 6.5% year-over-year increase in funds from operations to \$1.14 per share in the first half of 2016.

It currently pays a monthly dividend of \$0.13 per share, representing \$1.56 per share on an annualized basis, which is good for a yield of about 5.7% at today's levels.

It has consistently grown its dividend as well; its streak currently sits at seven consecutive years, and its 6.1% hike in November 2015 has it on pace for 2016 to mark the eighth consecutive year with an increase.

Inter Pipeline also announced earlier this week that it has agreed to acquire the Canadian operations of **Williams Companies Inc.** and **Williams Partners LP** for \$1.35 billion, and this is expected to close in the third quarter and immediately be accretive to its funds from operations.

All in all, Inter Pipeline is a cash flow machine that offers a growing stream of cash dividends. What more could an income investor ask for?

## Chartwell Retirement Residences

Chartwell is Canada's largest owner and operator of senior housing communities with 132 fully owned, 46 partially owned, and eight managed communities located across Ontario, Quebec, British Columbia, and Alberta.

The demand for Chartwell's services has continued to grow as Canada's population ages, which led to its total adjusted funds from operations increasing 16.7% year over year to \$0.42 per share in the first half of 2016. The demand will continue to grow going forward, as Statistics Canada estimates that the percentage of Canadians aged 65 and older will grow from 16.1% of the population in July 2015 to 20.1% of the population by July 2024.

It currently pays a monthly distribution of \$0.046818 per share, or \$0.561816 per share on an annualized basis, which gives its stock a yield of about 3.7% today.

Chartwell does not have a streak of annual increases as long as Inter Pipeline, but it did raise its distribution in 2015, and its 2% hike in February has it on pace for 2016 to mark the second consecutive year with an increase.

So, Chartwell offers one of the most in-demand services to the fastest-growing portion of the population, offers a high yield, and has the potential grow its distribution for many years to come, making it ideal for income investors.

### Is one better than the other?

If I had to choose between Inter Pipeline and Chartwell Retirement Residences today, I'd go with Inter Pipeline because it has a higher yield, but for the long term, I think both are strong buys.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. TSX:CSH.UN (Chartwell Retirement Residences)

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## Tags

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## Date

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2025/07/22

Date Created

2016/08/10

Author

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