

TFSA Investors: 2 Stocks to Help Boost Your Monthly Income

Description

GICs and savings accounts don't pay much anymore, so investors are turning to REITs and dividend stocks to help supplement their monthly income.

Let's take a look at **RioCan Real Estate Investment Trust** ([TSX:REI.UN](#)) and **Altagas Ltd.** ([TSX:ALA](#)) to see why they might be solid picks right now.

RioCan

RioCan generated steady Q2 2016 results and is setting up the development pipeline for strong future growth.

The company recently unloaded its 49 U.S. properties for a healthy profit and net proceeds of \$1.2 billion.

When you adjust for the sale of the American assets, funds from operations (FFO) rose \$8.8 million on the continuing assets, which is up 8.1% to \$118 million compared with Q2 2015. Total FFO fell \$1 million to \$135 million compared with Q2 last year.

Management is using the windfall from the U.S. disposition to strengthen the balance sheet and invest in new development opportunities.

One project to watch is the plan to build condos at some of the top urban sites. RioCan has identified 46 properties that might be suitable for mixed-use development and has received rezoning approval for seven locations.

If the concept takes off, investors could see a nice boost to cash flow in the coming years.

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

Altagas

Altagas is a natural gas and electricity infrastructure company with assets located in both Canada and the United States.

The company is probably best known for shelving its \$600 million Kitimat LNG project in British Columbia, but there is a lot more to this name that should get investors excited.

Normalized EBITDA for Q2 came in at a record \$153 million, up 43% compared with the same period last year. Most of the gains are attributed to new assets added in late 2015.

Management has a history of making accretive acquisitions that complement the existing asset portfolio, and investors should see the positive trend continue on both sides of the border. The asset

mix is about evenly split between the two countries, giving Canadian investors a nice opportunity for some U.S. exposure.

Dividend growth is steady and the company recently hiked the distribution. The current monthly payout of 17.5 cents per share yields an attractive 6.3%.

Is one a better buy?

Both names are solid picks and deserve to be in any income portfolio.

Having said that, RioCan has enjoyed a nice run in recent months, so I would give Altagas the edge today. The stock offers a higher yield and has the potential for a strong move to the upside when the energy sector becomes popular again.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)

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