



Supplement Your Pension With These 2 Income Stocks

Description

If you're searching for monthly dividend stocks to help supplement your monthly income, then you've come to the right place.

Let's take a closer look at why **Granite Real Estate Investment Trust** ([TSX:GRT.UN](#))(NYSE:GRP) and **Atrium Mortgage Investment Corp.** ([TSX:AI](#)) deserve your consideration today.

Granite Real Estate Investment Trust

Granite is one of the world's largest industrial REITs. Its portfolio consists of 94 properties, comprising of approximately 30 million square feet located across Canada, the United States, Austria, Germany, Czech Republic, the Netherlands, Spain, the United Kingdom, and Poland.

One of Granite's key attributes is its high-quality, creditworthy tenant base. At June 30, **Magna International**, the world's fourth-largest supplier of automotive products and services, occupied 63 of Granite's 94 income-producing properties and represented approximately 79% of its annualized lease payments. Other tenants include **Siemens**, **Cardinal Health**, Samsung, **Kate Spade**, Mercedes-Benz, and **GameStop**.

Granite pays a monthly distribution of \$0.203 per unit, representing \$2.436 per unit on an annualized basis, giving its stock a very high yield of about 6.1% today.

Confirming the safety of Granite's yield is very easy; all you have to do is make sure that its funds from operations (FFO) meet or exceed its distributions in a given period. In the first half of 2016, Granite's FFO totaled \$81.3 million, and its distributions totaled \$56.3 million, resulting in a conservative 69.2% payout ratio.

Granite also has one of the best track records in the real estate industry when it comes to growing its distribution. It has raised its annual distribution for five consecutive years, and its 5.7% hike in March has it on pace for 2016 to mark the sixth consecutive year with an increase.

I think Granite's consistent FFO growth, including its 2.8% year-over-year increase to \$81.3 million in

the first half of 2016, its very high occupancy rate, including a very impressive 99% as of March 31, and its conservative payout ratio will allow its streak of annual distribution increases to continue for many years to come, making it one of the best long-term investment opportunities in the industry today.

Atrium Mortgage Investment Corp.

Atrium is one of Canada's largest non-bank mortgage lenders, providing creative financing solutions to the real estate communities in Ontario, Saskatchewan, Alberta, and British Columbia. As of June 30, it has a portfolio of 199 mortgages that total approximately \$504.99 million.

Atrium's differentiator is its lending strategy. It provides financing solutions to borrowers in major urban centres who can't get loans from traditional financial institutions, but which represent acceptable underwriting risk. By doing this, it can charge a higher rate on its loans. This is shown by its weighted-average interest rate of 8.6% on its current portfolio.

Atrium pays a monthly dividend of \$0.07167 per share, representing \$0.86 per share on an annualized basis, giving its stock a very high yield of about 7.1% at today's levels.

A yield over 7% may spook some investors, but Atrium has the earnings to support it. In the first half of 2016, its earnings and total comprehensive income totaled \$12.56 million, and its dividend payments totaled \$11.58 million, resulting in a solid 92.2% payout ratio.

Like Granite, Atrium has shown a strong dedication to growing its dividend. It has raised its regular annual dividend payment for two consecutive years, and its 2.4% hike in February has it on pace for 2016 to mark the third consecutive year with an increase.

Atrium also declares special dividends in February of each year to ensure that 100% of its earnings and total comprehensive income during the previous fiscal year is paid out to its shareholders. Its special dividend payments have totaled \$0.21 per share for the last three fiscal years, and it's on pace to announce another special dividend in February 2017 since its payout ratio was just 92.2% in the first half of 2016.

I think Atrium's consistently strong growth of earnings and total comprehensive income, including its 10.9% year-over-year increase to \$23.34 million in fiscal 2015 and its 9.9% year-over-year increase \$12.56 million in the first half of 2016, will allow its streak of annual dividend increases to continue for the next several years, making it an ideal long-term investment option for income investors.

CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:GRT.UN (Granite Real Estate Investment Trust)

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