



## Income Investors: These +5% Yielders Hiked Their Dividends Last Week

### Description

As a savvy investor, I always check the headlines and make notes of stocks that recently hiked 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 all of this in mind, let's take a look at two income stocks that raised their dividends last week, so you can stay informed and possibly become a shareholder of one of them.

### Plaza Retail REIT

**Plaza Retail REIT** ([TSX:PLZ.UN](https://www.scribd.com/document/381111111/Plaza-Retail-REIT)) is one of Canada's largest developers and owners of retail properties, such as strip plazas, stand-alone small-box retail outlets, and enclosed shopping centres. Its portfolio currently consists of 297 properties, comprising of approximately 7.6 million square feet located across eight provinces.

In its third-quarter earnings report on Wednesday, November 9, Plaza announced a 3.8% increase to its monthly distribution to \$0.0225 per unit, representing \$0.27 per unit on an annualized basis, and this is effective for its January 2017 distribution. This means that investors will continue to receive monthly distributions of \$0.02167 per unit for the months of November and December, which gives its stock a yield of about 5.3% at today's levels, before being moved up to \$0.0225 per unit in January, which would bring its yield to about 5.5% at today's levels.

Investors must also make two notes about Plaza's distribution. First, following its November and December distributions, it will have officially raised its annual distribution for 13 consecutive years, giving it the second-longest streak in the REIT industry. Second, the distribution hike it just announced puts it on pace for 2017 to mark the 14th consecutive year in which it has raised its annual distribution.

Plaza has grown at a consistent rate in recent years, and it has continued this trend in 2016, growing its rental revenues by 4.5% year over year to \$74.97 million and its adjusted funds from operations by 6.5% year over year to \$0.245 per unit in the first nine months of the year, and I do not see its growth

slowing anytime soon, so I think its streak of annual distribution increases will continue through 2020 at the very least.

## Exchange Income Corporation

**Exchange Income Corporation** ([TSX:EIF](#)), or EIC for short, is an acquisition-oriented company focused on the aviation and manufacturing sectors. Its subsidiaries include Calm Air International, Custom Helicopters, Keewatin Air, Perimeter Aviation, Provincial Aerospace, Overlanders Manufacturing, and WestTower Communications.

In its third-quarter earnings report on Wednesday, November 9, EIC announced a 4.5% 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 over 5.1%. Investors should look for the company's dividend announcement later this week for details on the exact date of the first payment at this increased rate, but it will likely come on December 15 to shareholders of record at the close of business on November 30.

It's important for investors to make two notes about EIC's dividend. First, following the payment of its November and December dividends, it will have officially raised its annual dividend for six consecutive years. Second, its two dividend hikes in 2016 have it on pace for 2017 to mark the seventh consecutive year with an increase.

EIC has been growing at a rapid pace over the last several years, and it has posted a very strong performance so far in 2016 with its revenue up 14.8% year over year to \$669.37 million and its free cash flow less maintenance capital expenditures up 7.9% year over year to \$2.46 per share in the first nine months of the year, and I think this trend can continue for the next three to five years at least, so I think its streak of annual dividend increases will continue in 2018 and beyond.

## Should you prefer one over the other?

Plaza Retail REIT and Exchange Income Corporation both offer high, reliable, and growing streams of monthly income, so if I had to choose just one, I'd simply flip a coin.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)
2. TSX:PLZ.UN (Plaza Retail REIT)

## Category

1. Dividend Stocks
2. Investing

## Tags

1. Editor's Choice

### Date

2025/08/25

### Date Created

2016/11/15

### Author

jsolitto

default watermark

default watermark