Retirees: 2 Top Monthly Income Stocks to Stick in Your TFSA

Description

Canadian pensioners are searching for ways to boost their retirement income.

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

Altagas

Altagas owns and operates energy infrastructure companies in the U.S. and Canada with a focus on natural gas, utility, and power-generation segments.

Management has done a good job of finding strategic acquisitions as well as organic development opportunities to grow the business, and that trend continues.

The company just announced its $8.4 billion acquisition of **WGL Holdings Inc.**, a U.S.-based diversified energy infrastructure business. Once the takeover is complete, Altagas will have $22 billion in high-quality, low-risk assets.

On the organic-development front, Altagas recently completed the first phase of its Townsend gas-processing facility in British Columbia and is expected to wrap up an expansion of the site this year.

Other projects include a propane export terminal as well as new NGL gas-processing facilities and distribution assets, also in British Columbia.

Altagas plans to raise the dividend by 8-10% per year through 2021. The distribution currently yields 6.3%.

RioCan

RioCan has interests in 301 retail locations across Canada.

The malls are located on prime property, and RioCan's anchor tenants tend to be tier-1 businesses with a national presence, selling things like groceries, pharmaceuticals, discount goods, and everyday household items.

The business isn't risk-free, as we saw when **Target** Canada closed up shop, but the majority of RioCan's major tenants operate in segments that tend to hold up well regardless of the state of the economy, so there is little concern that RioCan would see a mass exodus from its properties.

The company's occupancy rate across the portfolio is above 95%, and demand remains strong for the space. RioCan has contracts, or is in late-stage negotiations with new tenants to replace 122% of the space vacated by Target Canada.

Growth prospects are strong, including 15 new retail projects currently under development as well as RioCan's plan to build up to 10,000 residential units at 50 of its urban sites.

The company has worked hard to reduce its debt and is now one of the lowest-levered REITs in Canada.

RioCan's monthly distribution offers a yield of 5.4%.

Is one more attractive for your TFSA?

Both companies offer above-average yields that should be safe.

Altagas provides a slightly higher return and probably offers better growth prospects in the near term, so I would go with the energy infrastructure company as the first choice.

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aswalker