

## 2 Income Stocks Yielding Over 4.5% I'd Buy Today

### Description

As savvy income investors, we're always on the lookout for high-quality stocks that can boost our portfolios' returns. Let's take a closer look at two with yields over 4.5% that you could buy right now.

#### Pure Industrial Real Estate Trust

**Pure Industrial Real Estate Trust** (TSX:AAR.UN), or PIRET for short, is one of the largest owners and managers of industrial real estate in Canada and the United States. As of December 31, 2016, its portfolio consists of 162 income-producing properties totaling approximately 19.6 million square feet of gross leasable area.

PIRET pays a monthly distribution of \$0.026 per unit, representing \$0.312 per unit on an annualized basis, which gives its stock a yield of about 5.1% today.

In addition to being a high yielder, PIRET is known as being a very reliable income provider. It has paid distributions uninterrupted and without reduction since its initial public offering in September 2007, and it has maintained its current monthly rate since November 2012.

I think PIRET will continue to provide its unitholders with a reliable income stream for many years to come. I think its continued growth of adjusted funds from operations (AFFO), including its 2.9% year-over-year increase to \$0.36 per unit in 2016, and the ongoing improvement of its distribution-payout ratio, including 86.6% of its AFFO in 2016 compared with 89.8% in 2015 and 98% in 2014, will allow it to maintain its current monthly distribution rate for the foreseeable future.

#### Enercare Inc.

**Enercare Inc.** (TSX:ECI) is one of North America's largest home and commercial services and energy solutions companies through its Enercare and Service Experts brands. Enercare is one of Canada's leading providers of water heaters, furnaces, air conditioners, and other HVAC rental products, plumbing services, protection plans, and related services, and it's a leading non-utility sub-metre provider for condominium and apartment suites. Service Experts is a leading provider of HVAC repair, maintenance, new equipment sales, and related services in the U.S. and Canada.

Enercare currently pays a monthly dividend of \$0.08 per share, representing \$0.96 per share on an annualized basis, and this gives its stock a yield of about 4.7% today.

Enercare may have a slightly lower yield than PIRET, but it offers something that PIRET does not: dividend growth. It has raised its annual dividend payment for six consecutive years, and its two hikes in the last 12 months, including its 10% hike in May 2016 and its 3.9% hike last month, have it on pace for 2017 to mark the seventh consecutive year with an increase.

I think Enercare is well positioned to continue growing its dividend going forward too. I think its very strong financial performance, including its 18% year-over-year increase in pro forma distributable cash

per share to \$1.18 in 2016, and its vastly improved dividend-payout ratio, including 70% of its pro forma distributable cash in 2016 compared with 82% in 2015, will allow its streak of annual dividend increases to easily continue into the 2020s.

### **Which of these income providers should you buy today?**

PIRET and Enercare are two of the best income stocks in their respective industries, so take a closer look at each and consider beginning to scale into a position in one of them over the next couple of trading sessions.

### **CATEGORY**

1. Dividend Stocks
2. Investing

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jsolitro

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