

2 Top Income Stocks That Just Reported Great Q2 Results

Description

Earnings season is here, and two top income stocks — **Choice Properties Real Est Invstmnt Trst** ([TSX:CHP.UN](#)) and **Atrium Mortgage Investment Corp.** ([TSX:AI](#)) — just reported fantastic results. Let's take a closer look at each company, their results, and their dividends to determine if you should invest in one of them today.

Choice Properties REIT

Choice is one of Canada's largest owners and managers of commercial real estate. Its portfolio currently consists of 537 retail, industrial, office, and development properties located across every province that total approximately 43.8 million square feet of gross leasable area.

Choice announced its second-quarter earnings results after the market closed on July 19. Here's a quick breakdown of five of the most notable statistics from its three-month period ended on June 30, 2017, compared with the same period a year ago:

- Rental revenue increased 5.7% to \$208.63 million
- Net operating income increased 5.3% to \$144.01 million
- Funds from operations per unit diluted increased 5.2% to \$0.262
- Adjusted cash flow from operations (ACFO) increased 9.7% to \$87.84 million
- Occupancy rate improved by 10 basis points to 98.9%

It was a fantastic quarter overall for Choice, but its stock has remained relatively flat in the trading sessions since the press release. That said, I think the stock represents a very attractive long-term investment opportunity for investors seeking monthly income. Choice pays a monthly distribution of \$0.06167 per unit, equal to \$0.74 per unit on an annualized basis, which gives it a juicy 5.5% yield today.

Investors must also note that the company's recent distribution hikes have it on pace for 2017 to mark the second consecutive year in which it has raised its annual distribution, and I think its very strong ACFO growth, including its 12.8% year-over-year increase to \$178.61 million in the first half of 2017, will allow this streak to easily continue into the 2020s.

Atrium Mortgage Investment Corp.

Atrium is one of Canada's largest non-bank lenders. It provides "creative financing solutions" to the real estate communities in Ontario, Saskatchewan, Alberta, and British Columbia. As of June 30, it had 188 mortgages in its portfolio that total approximately \$573.07 million at a weighted average interest rate of 8.42%.

Atrium released its second-quarter earnings results after the market closed on July 20. Here's a quick breakdown of five of the most notable statistics from its three-month period ended on June 30, 2017,

compared with the same period a year ago:

- Revenue increased 12.9% to \$12.07 million
- Income before refinancing costs increased 8.4% to \$9.73 million
- Earnings and total comprehensive income increased 5.7% to \$6.8 million
- Basic earnings per share decreased 4.2% to \$0.23
- Mortgages receivable at the end of the period increased 13.4% to \$567.9 million

It was a great quarter for Atrium, but like Choice Properties REIT, its stock has remained relatively unchanged since the press release. Performance aside, I think its stock represents a great income opportunity. Atrium currently pays a monthly dividend of \$0.073333 per share, equal to \$0.88 per share annually, which gives it a massive 7.2% yield today.

It's also very important to note that the company's 2.3% dividend hike in January has it on pace for 2017 to mark the fourth consecutive year in which it has raised its annual dividend payment, and I think its steady growth of earnings and total comprehensive income, including its 11.2% year-over-year increase to \$13.96 million in the first half of 2017, will allow this streak to easily continue in 2018 and beyond.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/25

Date Created

2017/07/21

Author

jsolitro

default watermark