



2 Top Dividend Stocks to Earn Steady Monthly Income

Description

When it comes to delivering steady monthly income, some dividend stocks really stand out. Companies with solid business models, strong revenue streams, and a track record of rewarding their investors are usually the ones that provide the [best monthly income](#).

I'm a big fan of stocks that send monthly dividend cheques. A simple reason that attracts me to monthly dividend-paying stocks is that it's much easier to sync your monthly expenses with a monthly income stream.

In your golden age, when you may need to rely on your income portfolio to pay for your electricity, gas, and grocery bills, having monthly cheques arrive in your mailbox will be a great thing to have. Here are two top dividend stocks to consider that pay monthly dividends.

Canadian Apartment Properties REIT ([TSX:CAR.UN](#))

Canadian Apartment REIT is one of Canada's largest residential landlords. It owns and manages a portfolio of 43,603 residential suites and 6,455 land-lease sites located near major urban centres across Canada.

A robust demand for rental units in Toronto and other major cities has helped Canadian Apartment REIT to outperform other REITs at a time when their share prices are under pressure due to rising interest rates in Canada.

Over the past 12 months, Canadian Apartment REIT's shares have soared 12% when compared to ~2.4% gains in **iShares S&P/TSX Capped REIT Index ETF**. Canadian Apartment REIT currently pays a monthly distribution of \$0.10667 per unit, representing \$1.28 per unit annually, which gives it a 3.6% yield at the time of this writing.

This REIT has raised its annual distribution for six consecutive years, and after its 2.4% dividend hike in February, this REIT is on track to mark the seventh consecutive year of payout increases.

For long-term investors, Canadian Apartment REIT offers a good investment opportunity, especially

when the rental demand is strong, and the company is expanding globally. At the end of 2017, Canadian Apartment REIT's occupancy ratio was 98.9%.

And when it comes to distribution, I think this REIT has a quite manageable payout ratio and a potential for the future hikes. It targets to distribute between 70% and 80% of its normalized funds from operations.

First National Financial Corp.([TSX:FN](#))

[First National](#) is another monthly dividend stock that I like for long-term investors. With more than \$100 billion in mortgages under administration, First National is Canada's largest non-bank originator and underwriter of mortgages.

With a dividend yield of 6.87%, First National stock pays \$0.154 a share monthly dividend, which comes to \$1.8 on yearly basis. Trading at \$27, First National shares have not moved much during the past one year, as investors remained focused on Canada's housing market, which is coming under tighter regulations and showing signs of a slowdown.

But in the long run, demand for mortgages in Canada will remain strong with rising immigrant inflows and the growth in population. First National targets the strongest segments of the real estate market, which is single-family homes and the commercial market.

With a price-to-earnings ratio of just eight, I think First National stock offers a great value to long-term investors. Last year, the company paid its investors a special dividend. With a compounded annual growth rate of 7.3%, First National's dividend-growth rate is solid and tempting for buy-and-hold investors.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSX:FN (First National Financial Corporation)

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