

2 High-Yield Stocks to Boost Retirement Income in Your TFSA

Description

Canadian pensioners are searching for ways to increase the returns their get on their [retirement savings](#).

A popular strategy involves owning income stocks inside a Tax-Free Savings Account (TFSA). Since its inception in 2009, the TFSA total contribution room has increased to \$57,500 in 2018. At this level, investors who use the TFSA to hold a portfolio of high-yield stocks and REITs can generate a nice chunk of tax-free income every year.

Let's take a look at two companies that might be interesting picks today.

RioCan Real Estate Investment Trust ([TSX:REI.UN](#))

RioCan is undergoing a transition to diversify its revenue base. Canada's largest shopping mall owner is monetizing roughly \$2 billion in properties located in secondary markets and is using the proceeds to shore up the balance sheet and fund its new mixed-use developments located in six core urban markets.

As of the Q2 2018 earnings report, RioCan had closed, firm, or conditional deals in place for \$1.2 billion of properties.

Over the next decade, RioCan has plans to build up to 10,000 residential units. The first projects are well underway and should be completed through the end of 2018 and in early 2019.

The company's buildings continue to see strong demand, despite the difficulties faced by some retail segments. In fact, RioCan has managed to replace more than 100% of the revenue lost through the closures of two major department store chains. Committed occupancy was 97% at the end of June.

RioCan pays a monthly distribution of \$0.12 per unit for an annualized [yield](#) of 5.8%.

Algonquin Power and Utilities ([TSX:AQN](#))([NYSE:AQN](#))

Algonquin Power owns renewable energy and natural gas distribution businesses with a major focus on the United States. The company has grown significantly over the years through strategic acquisitions, and that trend should continue as the utility sector consolidates.

Algonquin Power also has a portfolio of organic projects in the works. The company recently commissioned its 75 MW Amherst Island wind project and received a regulatory order in Missouri supporting investment a 600 MW wind development.

Algonquin Power reported strong Q2 2018 results, with revenue and adjusted EBITDA rising 9% compared to the same period last year. Adjusted funds from operations increased 26%, and adjusted net earnings per share jumped 22%.

Management recently raised the dividend by 10%. The current payout provides a yield of 5.2%.

The bottom line

RioCan and Algonquin Power pay attractive distributions that should be safe and have growth programs to support ongoing increases in the coming years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date

2025/07/21

Date Created

2018/08/14

Author

aswalker

default watermark