



Why This Is the Best Time to Buy This 6% Dividend-Yielding Stock

Description

Investing in companies that have long histories of paying and growing dividends is a proven way to grow your savings.

Growing dividends not only protect your investments from the effect of inflation, but they also help your savings grow faster if you re-invest your profits to purchase more of the company's shares.

But the biggest challenge for retail investors is to pick the right dividend stocks at the right prices and at the right time. With this theme in mind, I have picked this solid monthly dividend stock that I believe is well positioned to offer superior returns after its major restructuring last year.

RioCan REIT

If you like Canada's robust real estate sector, then **RioCan** ([TSX:REI.UN](#)) is your best buy-and-hold stock. It pays a monthly distribution. RioCan is one of Canada's largest REITs; it owns, manages, and develops retail-focused properties in prime markets.

Its portfolio is comprised of 289 properties, including 17 development properties, with an aggregate net leasable area of 44 million square feet.

Last year, RioCan decided to [change the direction of its business](#) to grow in a changing market conditions where consumers are cutting their trips to shopping malls.

RioCan embarked on a plan to derive 10% of its income from apartments — a shift for the landlord, which built its reputation on shopping centres.

One aspect of this strategy was to exit from Canada's less-lucrative retail market and instead focus on the biggest cities, where the population is growing and where rental markets are thriving.

One year after its October 2017 restructuring announcement, RioCan has closed or entered firm and conditional agreements or letters of intent for 65 properties for gross sales proceeds of \$1.3 billion.

The company has also announced its new residential brand RioCan Living to take advantage of swelling demand for mixed-use properties. Under the RioCan Living brand, the company plans to turn selected existing retail shopping centres into vibrant, mixed-use communities, marking RioCan's official entry into the residential market.

Is this a good time to buy RioCan?

Rising interest rates and the business restructuring kept RioCan stock under pressure last year. But I see these headwinds weakening in 2019, as the Bank of Canada moves to the sidelines as the economy slows and the company's restructuring gains pace.

So far in 2019, RioCan shares have gained over 3%, and I see further upside going forward. For long-term income investors, this is the best time to lock in the 6% dividend yield the solid stock offers.

[RioCan also has a history](#) of rewarding investors with growing dividends. The company has been paying dividends for the past 23 years. During that period, RioCan raised its annual distribution 17 times.

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1. Dividend Stocks
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1. TSX:REI.UN (RioCan Real Estate Investment Trust)

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