



Retirees: 3 Monthly Paying Dividend Stocks That Equal Any Pension

Description

Even blue collar factory workers used to be able to count on a full pension. Nowadays these folks can barely count on their employer matching their RRSP contributions.

Many view this as a major problem. Planning for retirement is tough, especially if your profession doesn't come with the benefit of an above-average salary. Someone getting a pension doesn't have to spend any time planning for their golden years. They simply contribute to their plan and start withdrawing as soon as they qualify.

The good news is that [creating your own pension](#) isn't as difficult as you might think. All you need to do is own some of Canada's top monthly dividend payers, stocks that offer dependable payouts coming from solid businesses. Let's take a closer look at three names that could make up the bedrock of a monthly dividend portfolio.

Extendicare

[You can't deny the trend](#). There's a glut of Canadian baby boomers slowly aging, and the majority of these folks will need some sort of long-term care in the latter years of their lives. That's where **Extendicare Inc.** ([TSX:EXE](#)) comes in.

The company is one of Canada's largest owners and operators of long-term care and retirement residences, owning 58 and 10 different locations, respectfully. It also manages an additional 54 centers and has a large home health care division. Extendicare is also actively expanding its empire, focusing on the Ontario market.

Another growth avenue Extendicare is exploring is upgrading some of their Ontario-based long-term care facilities. This will put these homes into a higher class, which translates into more daily funding from the provincial government; this represents an excellent return on investment.

One of the more attractive parts of an Extendicare investment is the company's generous dividend. The current payout is \$0.04 per share each month, which translates into a 5.9% yield. The payout ratio

is under 75%, which indicates the dividend is solid.

Northview Apartment REIT

There's a simple — yet compelling — reason to prefer **Northview Apartment REIT** (TSX:NVU.UN) over its peers. Unlike Canada's other apartment REITs, Northview is fairly valued.

Buoyed by strong results from the Ontario portion of its portfolio of more than 30,000 apartments, Northview earned \$2.11 per share in funds from operations in 2018, a slight improvement over last year's numbers. That puts shares at approximately 13 times funds from operations. Most of its peers trade at 20 times funds from operations, or even higher.

I also like Northview's exposure to communities in the North West Territories and Nunavut, remote locations where there isn't much competition. Close to 30% of the company's net operating income comes from these two territories, yet less than 15% of its units are located there.

The stock currently pays a 6.1% dividend, a payout easily covered by cash flow.

Parkland Fuel

Many investors like the retail fuel side of a big oil company's business, as it's really the only thing that differentiates the company from other oil operators. Refining crude oil into gasoline and other useful products is also a nice business with predictable profit margins.

One way to gain exposure to this part of the business is to buy **Parkland Fuel Corporation** ([TSX:PKI](#)), which markets and distributes fuel to a fleet of gas stations, either supplying that fuel from its Burnaby refinery or purchasing it from somewhere else. Some of its brands in Canada include Fas Gas, Pioneer, and Ultramar, with locations stretching across the country. The company also has a big presence in the United States and the Caribbean.

Parkland's recent growth has been nothing short of remarkable. In 2014, it generated approximately \$200 million in EBITDA earnings. After a series of acquisitions, that number should be close to \$1 billion in 2019 just five years later. The acquisition story isn't over either; management sees plenty of potential to get bigger.

Investors are paid a solid 2.8% dividend while they wait for this expansion to happen, plus they're buying shares trading at a reasonable valuation.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. TSX:EXE (Extendicare Inc.)
2. TSX:PKI (Parkland Fuel Corporation)

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