



Retirees: 3 Attractive High-Yield Stocks for Passive Income

Description

Retirees and other income investors are constantly searching for reliable REITs and dividend stocks that offer high-quality distributions with above-average [yield](#).

The plunge in bond yields and a reversal in the trend toward interest rate hikes have fuelled a rally in many of the top income picks, but investors can still find good value and attractive yield in the Canadian market.

Let's take a look at three companies that might be interesting bets for passive-income [portfolio](#) right now.

RioCan

RioCan Real Estate Investment Trust ([TSX:REI.UN](#)) is best known as Canada's largest owner of shopping malls. Amid all the news of major department store chains going bankrupt, that doesn't sound like a great place to put your money.

However, RioCan's properties remain in high demand. When one tenant leaves, the company tends to replace the client with a new retailer at even higher prices.

No single company accounts for more than 5% of total revenue, so the departure of a big name has a limited impact on the company's financial results.

In addition, RioCan is selling about \$2 billion in non-core properties in secondary markets and is using the proceeds to fund its mixed-use projects in the major cities.

In this era of high property prices and a strong rental market in core urban areas, combining residential and commercial property makes sense.

RioCan will see revenue rise in the coming years as the new projects are completed, which should support increases to the distribution. Investors who buy today can pick up a 5.4% yield.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is trading near its 12-month high, but the current interest rate environment could push the share price to new record levels in the next few years.

The stock still offers a dividend yield of 5.1%, and investors should see the payout increase by about 5% per year. BCE reported solid Q2 2019 results and the projected free cash flow growth of 7-12% for 2019 could result in a juicier than expected dividend hike next year.

The stock is a good pick to hedge your portfolio against turmoil in international financial markets.

If you're searching for a dividend that's almost guaranteed, BCE deserves to be on your radar.

Power Financial

Power Financial (TSX:PWF) is a holding company with assets focused on insurance and wealth management. The businesses generate solid profits, and the board gave investors a double treat in 2019.

The company bought back \$1.65 billion in stock, representing 7% of the float, and bumped up the dividend by 5%.

The stock price has pulled back from \$33 in April to below \$28 amid the broad-based weakness in the financial sector. Investors who buy today can pick up a 6.5% dividend yield.

The bottom line

RioCan, BCE, and Power Financial all pay distributions with above-average yields and should be solid picks for a buy-and-hold income portfolio.

If you only buy one, I would probably make Power Financial the first choice today. The stock appears oversold and offers a great yield for passive income investors with some nice upside potential on a shift in sentiment.

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TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)

2. TSX:BCE (BCE Inc.)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)

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