



Income Investors: 2 Stocks With a Dividend Yield of 10%

Description

Dividend-paying stocks remain an attractive investment, especially in markets that are trading at record highs. Dividend stocks provide a stable stream of income, and companies seldom cut dividend payments. Here we look at two Canadian-based companies that have a dividend yield of 10%.

Boston Pizza Royalties Income Fund

Shares of **Boston Pizza Royalties Income Fund** ([TSX:BPF.UN](#)) have grossly underperformed the broader markets over the last year. The stock has fallen 17% in the last 12 months compared to the S&P 500 gain of 25% in this period. The company is valued at \$310.2 million. Boston Pizza stock is trading at a forward price-to-earnings ratio of 11, which is a reasonable multiple considering its dividend yield of 10%.

Company sales have been range bound in the recent past. Boston Pizza reported revenue of \$45.7 million in 2016 and \$45.6 million in 2018. Analysts expect sales to reach \$45.2 million in 2020, \$45 million in 2020, and \$45 million in 2021.

We can see the stock has declined, as the company is struggling to grow sales. Boston Pizza Royalties Income Fund is an open-ended mutual fund trust. The fund earns revenue based on the Boston Pizza franchise system that has close to 400 outlets.

Boston Pizza has five corporate-owned outlets and 390 franchised restaurants. As the revenue stream is tied to franchise sales, investors are not exposed to the underlying business profitability or expenses.

After accounting for reinvestment distributions, Boston Pizza Royalties Income Fund has returned 12.2% on an average since 2002. Due to the company's business model, it is able to payout 100% of distributable cash in dividends.

The fund operates in 10 provinces and two territories in Canada. It is accessible to almost 100% of the Canadian population, and [gross sales touched \\$1.1 billion in 2018](#). Boston Pizza has added 48 restaurants since 2012 and is well positioned in the mid-scale dining category.

American Hotel Income Properties REIT

Shares of **American Hotel Income Properties REIT** ([TSX:HOT.UN](#)) have gained 0.3% in the last 12 months. Though the REIT has underperformed the S&P 500, it has a solid dividend yield of 11.6%.

This REIT invests in hotel real estate properties primarily in the United States. The REIT has two business segments: Rail Hotels and Branded Hotels. The Rail Hotels portfolio consists of 50 properties with a total of 3,720 rooms. These properties operate under the Oak Tree Inn brand and are aimed at fulfilling the needs of railroad operators.

At the end of Q3, American Hotels had a portfolio of 79 hotels and 8,887 guestrooms across 22 states and 51 cities. In the September quarter, the hotel occupancy rate stood at 79%, while the average daily guestroom rate was \$116.5.

American Hotel Income Properties reported sales of \$69.3 million with a net income of \$23.5 million. The REIT's payout ratio stands at 92%. AHIP focuses on generating sustainable cash flows from proven hotel properties.

This will help deliver long-term value to unitholders through monthly dividend distributions and stock appreciation.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
2. TSX:HOT.UN (American Hotel Income Properties REIT LP)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/17

Date Created

2020/01/17

Author

araghunath

default watermark

default watermark