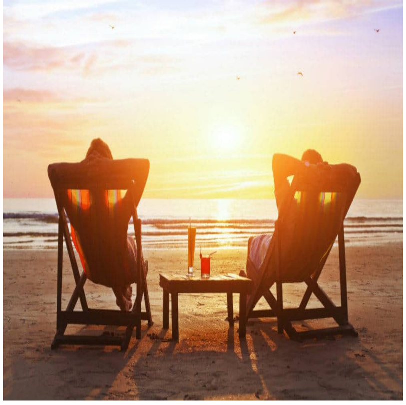

Retirees: Give Yourself a Raise With These 3 Safe Monthly Dividend Payers

Description

Many retirees have stuffed their portfolios with monthly dividend-paying stocks for a couple of important reasons.

First, stocks that pay a monthly dividend jive really well with bills, which are usually paid every 30 days of so. Sure, you can budget using quarterly dividends, but that's a little bit more of a challenge.

Second, monthly dividends ensure cash is entering your account all the time, something that makes investors feel a little better. Especially during turbulent markets, like we're experiencing today.

Retirees might not be happy seeing many of their investment gains evaporate, but the good news is new cash invested today can get some really impressive yields. Let's take a closer look at three safe monthly dividend stocks that suddenly offer very impressive payouts.

Canadian Apartment Properties

The short-term might not look so rosy for **Canadian Apartment Properties REIT** (TSX:CAR.UN), but you've got to like this stock over the long term. The company owns more than 64,000 apartments and manufactured home sites across Canada, Ireland, and the Netherlands.

The company most call CAPREIT really does own some impressive assets. 47% of its net operating income comes from Ontario, with a specific focus on the Greater Toronto Area. This market offers strong rent, low vacancy, and steady rent increases.

Yes, short-term COVID-19 issues will impact the portfolio, but you have to like these assets over the long-term. I'm still wildly bullish on the Toronto property market.

CAPREIT has the balance sheet strength to see through this storm. Thanks to a recent equity offering, the company's debt-to-book value ratio is all the way down to the 35% range. Lower interest rates will also help, and banks are eager to lend cash against good assets.

Finally, the recent sell-off in shares has really boosted the company's monthly dividend yield. The current payout is 3.3%.

Chartwell

Chartwell Retirement Residences (TSX:CSH.UN) provides housing to seniors. It's the largest operator in the sector in Canada, owning and managing more than 200 locations in four different provinces. The company focuses on a lower level of care, a part of the market with fewer regulations than long-term care.

Chartwell shares have been essentially cut in half over the last few months for a few different reasons. COVID-19 and the impact a large outbreak could have on vulnerable seniors is a worry, of course. But investors were a little concerned about the company before all this started. Occupancy numbers have been a little disappointing, especially in the Ottawa area.

That's bad news for current shareholders, but a big plus for folks looking to get in today. The stock doesn't just offer good capital gains potential, either. It also has a great monthly dividend. The current payout is 7.2%, and the company has increased the dividend each year since 2014.

TransAlta Renewables

TransAlta Renewables (TSX:RNW) has always offered a nice monthly dividend. Now its valuation is cheap enough to even entice value investors.

Let's start with the basics. TransAlta Renewables owns more environmentally-friendly power generation assets, facilities that generate power from natural gas, wind, solar, and hydro.

As it stands today, the company owns 44 different generation sites that produce a little more than 2,500 MW of electricity.

After growing significantly during its first few years as a publicly traded company, Renewables is more of a steady operator today. The company earned $1.11 per share in cash available for distributions in 2019, with management forecasting a slight increase for 2020 as a couple of new projects come online.

Growth potential over the longer-term is better thanks to the financial woes of **TransAlta**, which is TransAlta Renewables' parent company and largest shareholder. It should continue to buy assets from the parent.

Shares trade at approximately 11x next year's expected cash flow, which is a pretty compelling valuation.

Meanwhile, Renewables offers a pretty enticing monthly dividend. The current payout is 6.8%. And unlike most other stocks, investors don't really have to worry about the stability of cash flow in a COVID-19 world. It's solid.

The bottom line on these monthly dividend stocks

TransAlta Renewables, Chartwell, and Canadian Apartment Properties are all off significantly compared to their 52-week highs, meaning today is an excellent time to start loading up and locking in excellent monthly payouts.

Retirees, take notice.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSX:CSH.UN (Chartwell Retirement Residences)
3. TSX:RNW (TransAlta Renewables)

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