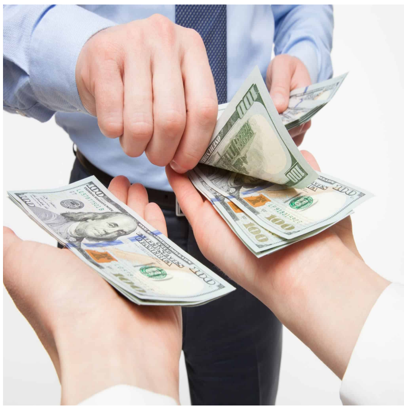

15 Top Income Stocks for Retirees

Description

We asked our Foolish writers for their top stock picks for monthly income. Here are their choices:

Jed Lloren: Northland Power

We are currently experiencing a shift from traditional gas energy to cleaner, renewable energy sources and **Northland Power** (TSX:NPI) is very much a leader in this industry. This company produces energy from solar, wind, biomass, and clean-burning natural gas. Northland Power has partnered with Indigenous communities, municipalities, and independent companies to develop and operate a global network of power-generation facilities.

The company has provided a monthly dividend distribution since its inception. The current rate is $0.10 per share. Northland Power's dividend has not been cut or interrupted in the past decade. The dividend payout is just under 63%, which indicates that the company has more room to grow its dividend in the future.

Fool contributor Jed Lloren has no position in the companies mentioned.

Kyle Walton: Northview Apartment Real Estate Investment Trust

Northview Apartment Real Estate Investment Trust (TSX:NVU.UN) is a great income play for retirees in the current environment.

Northview owns approximately 27,000 residential units and over one million square feet of commercial space. This portfolio is geographically well-diversified, as it is spread over eight provinces and two territories. Around 90% of Northview's revenue comes from the residential segment, which is very stable, given that people need to live somewhere.

Northview also pays a monthly distribution of $0.1358, which equates to a roughly 4.5% annual yield. The FFO payout ratio is under 80%, indicating that the distribution is well-covered. However, there have been no changes in the monthly distribution for over five years. Therefore, expect the monthly distributions to continue, but do not expect an increase anytime soon.

Fool contributor Kyle Walton has no position in the companies mentioned.

Vineet Kulkarni: Shaw Communications

My pick for top income stock for retirees is **Shaw Communications** (TSX:SJR.B)(NYSE:SJR). It is a $12 billion telecom company that took an unwarranted beating during the COVID-19 crash. Though the stock has recovered almost 35% since its record lows, it still looks attractive from the valuation standpoint.

It offers a juicy yield of 5.3% at the moment, higher than TSX stocks at large. Also, its stable cash flows and recession-resilient business model facilitate its dividend stability.

Shaw's low-cost wireless segment has seen a remarkable subscriber growth in the last few quarters. Along with wireless, its other business segments, such as broadband and satellite TV, contribute to its diversified revenue base.

Shaw's stable dividends and a strong stock appreciation potential make it an attractive bet for long term investors.

Fool contributor Vineet Kulkarni does not have any positions in the stocks mentioned.

Aditya Raghunath: Pembina Pipeline

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is a Canada-based energy infrastructure company that pays a monthly dividend of $0.21 per share. This translates to annual dividends of $2.52 indicating a forward yield of a tasty 7.53%.

Pembina has a diverse base of assets with a track record of profitable growth. The company started paying dividends in 1997 and has paid approximately $8.5 billion in dividends to shareholders to date. It has increased dividend payouts for the last nine consecutive years and grown payments at an annual rate of 5% in this period.

While several oil stocks have been decimated and cut dividend payments, Pembina's financial profile makes a cut unlikely. It generates over 90% of revenue from fee-based contracts out of which 80% are with investment-grade counterparties.

Pembina's strong balance sheet, prudent capital allocation, and investment-grade credit rating makes it one of the top stocks to buy right now.

Fool contributor Aditya Raghunath has no position in any of the stocks mentioned.

Karen Thomas: Northwest Healthcare Properties REIT

The two things that retirees are looking for now more than ever are income and safety. **Northwest Healthcare Properties REIT** (TSX:NWH.UN) provides us with both, and that is why it is my top income stock pick for retirees.

While healthcare services have been affected by the covid-19 pandemic, we can expect these essential services to remain essential for the long-term. For obvious reasons, the healthcare sector is a defensive one. It is also a growing one, given the aging population. As for Northwest, 85% of its revenue is backed by public healthcare funding and occupancy rates remain high.

Its dividend yield is an attractive 7.31% and this owner/operator of a diversified portfolio of global healthcare assets is rapidly reducing its debt. This deleveraging will soon result in an upgrade to investment-grade status and greater safety for investors.

Fool contributor Karen Thomas owns shares of Northwest Healthcare Properties REIT.

Stephanie Bedard-Chateauneuf: First National Financial Corporation

First National Financial Corporation (TSX:FN), Canada's largest non-bank mortgage lender and underwriter, is my top income stock for retirees.

First National works exclusively with mortgage brokers and offers a range of mortgage solutions. Since the lender doesn't have to invest big amounts of capital in branches or front-line employees, it can use these savings to offer cheaper rates to borrowers.

First National pays a monthly dividend of $0.1625 per share, which has a current yield of 6.4%. The company has been increasing its dividend for 8 consecutive years. Its five-year dividend growth rate is 5.8%. First National's stock is very cheap with a five-year PEG of only 0.7. Shares have plunged by 20% year-to-date but are up 10% in the past three months.

Fool contributor Stephanie Bedard-Chateauneuf has no position in any of the stocks mentioned.

Kay Ng: Granite Real Estate Investment Trust

Granite REIT (TSX:GRT.UN) stock is my top income stock pick for retirees. Through the industrial REIT, retirees gain exposure to a diversified portfolio that has properties in the United States, Canada, and seven countries in Europe.

The REIT is expected to have minimal impact from COVID-19 as occupancy remains at about 99% and rent collections are more than 95%.

Granite REIT's strength is evident in its dividend history – it has increased its cash distribution for nine consecutive years. Its first-quarter payout ratio of 69% provides a buffer to protect its yield, which is about 4.3%.

Make sure you're alright with Granite's 41% rent exposure to Magna, though.

Fool contributor Kay Ng has no position in the companies mentioned.

Robin Brown: Dream Industrial REIT

Dream Industrial REIT (TSX:DIR.UN) is my top income stock for retirees. Over the past few years, Dream has significantly increased the quality of its properties, locations, and balance sheet. Its properties are diversified in use (light industrial, warehousing, logistics) and geography (Canada, the U.S., and Europe).

Dream also has a diversified tenant mix. Around 40% of tenants have e-commerce-related operations. Rent collections since the pandemic have been stable at around 90%.

Fortunately, the REIT has a very conservative balance sheet (28% leverage) and has $300 million that it could immediately invest into new acquisitions (especially in Europe). The stock is relatively cheap here and pays a very attractive 6.5% dividend. As the pandemic abates, this stock should quickly return to its previous $12 to $14 range, and beyond.

Fool contributor Robin Brown owns shares of DREAM INDUSTRIAL REIT.

Amy Legate-Wolfe: WPT Industrial REIT

It's rare that investors can find a top income stock that also happens to be a growth stock. That's what you get with **WPT Industrial REIT** (TSX:WIR.U).

While other REITs might focus on retail, office space, and the like, WPT focuses on light industrial properties. These properties are the perfect place for e-commerce giants to store and ship products. WPT already has about 70 of these properties, and currently acquiring even more. It also has partnerships with companies like **Amazon**. So, while other REITs might struggle during this downturn, WPT could very well grow.

Meanwhile, the company offers a safe 6.16% dividend yield, with an incredible 105.72% payout ratio as of writing. In the last five years, that dividend has grown an average of 10% per year.

Fool contributor Amy Legate-Wolfe does not own shares of any of the stocks mentioned.

Andrew Button: TransAlta Renewables

TransAlta Renewables (TSX:RNW) is my top income stock for June 2020. It's a renewable energy stock that pays a dividend of $0.078 per month, or $0.936 per year. As of this writing, that gave it an annualized yield of 6.3%. Not only is that an above-average yield, but it's paid monthly, so you get high income frequency—perfect for retirees who need steady, dependable income.

Since 2013, RNW has not cut its dividend once. In fact, it has raised it several times. This isn't the type of stock you can count on for a dividend increase every single year, but they happen often enough, and the yield today is already sweet.

Fool contributor Andrew Button has no position in any of the stocks mentioned.

Ambrose O’Callaghan: Extendicare

My top income stock for June 2020 is **Extendicare** (TSX:EXE). The company provides care and services for seniors in Canada. Officials have sounded the alarm over long-term care facilities during the COVID-19 pandemic. Investors should expect companies like Extendicare to receive more much-needed funding in response to this crisis.

In the first quarter of 2020, Extendicare saw revenue rise 2.3% year-over-year to $268.8 million. Meanwhile, adjusted EBITDA increased $0.3 million to $19.9 million. Shares had a favourable price-to-earnings ratio of 16 as of close on June 15. On the same day, Extendicare announced a monthly distribution of $0.04 per share. This represents a tasty 8.1% yield. Extendicare offers growth, nice value, and an attractive monthly dividend to investors in June.

Fool contributor Ambrose O’Callaghan has no position in any stocks mentioned.

Mat Litalien: Exchange Income Corp

Exchange Income Corp (TSX:EIF) is a rare company in the Airline industry that offers steady and reliable dividend. Despite the pandemic, it has yet to cut the dividend and it has enough cash to weather the crisis. Not only that, but management has also publicly stated that it may be an opportune time to look at acquisitions as some of its competitors aren’t as well capitalized.

The company has an attractive starting yield of 8.51% and pays out the dividend monthly. Exchange Income also owns a nine-year dividend growth streak and is Canadian Dividend Aristocrat – the only one in the industry.

Fool contributor Mat Litalien has no position in Exchange Income Corp.

Debra Ray: AltaGas

AltaGas Ltd (TSX:ALA) is an energy infrastructure firm in the utilities and midstream business segments. This company processes and delivers natural gas in Canada and the U.S. states of Alaska, Michigan, and Washington State metropolitan area.

AltaGas stock is trading for approximately 30% less than its 52-week high of $22.74. As of Tuesday, you can buy 100-shares of AltaGas for less than $1,600 with an annual dividend yield of 6.04%.

Not only will you earn a solid dividend from this stock, but the share price may beat index returns this year. Utilities consistently overperform the stock market during recessions. Thus, now may be the best time to buy stocks in the utilities sector like AltaGas.

Fool contributor Debra Ray has no position in any of the stocks mentioned.

Demetris Afxentiou: Keyera Corp

Keyera Corp (TSX:KEY) is a perfect stock for income-seeking investors. The Calgary-based company transports, stores, and markets NGLs and iso-octane in Canada and the U.S.

Market volatility forced Keyera to rein in costs and defer capital growth projects earlier this year. Still, it has fared better than many of its peers and the market itself in 2020.

In terms of results, in the most recent quarter, Keyera reported a record adjusted EBITDA of $327 million. By comparison, last year, the company posted just $164 million. Additionally, Keyera has a large capital projects portfolio of shovel-ready and in-progress projects which will provide further earnings boosts.

As impressive as that growth potential sounds, Keyera really excels as an income investment. Steady dividend growth of well over 40% in the past five years has propelled it into one of the best options on the market. Today, that monthly distribution provides a juicy 9.3% yield.

Fool contributor Demetris Afxentiou has no position in any stocks mentioned.

Nelson Smith: Crombie REIT (TSX:CRR.UN)

My top monthly income pick for retirees is Crombie REIT, which owns grocery-anchored real estate across Canada. With more than 75% of its rent coming from necessary retailers like supermarkets and pharmacies, it’s a solid pick in today’s uncertain world.

It also offers nice growth potential as it redevelops some of its retail space into mixed-use facilities. This development plan could double the size of the company in the next decade or so.

Finally, the stock pays a solid dividend yield of 6.7% with a sustainable payout ratio. You can count on this distribution over the long-term.

Fool contributor Nelson Smith owns Crombie REIT shares.

CATEGORY

1. Dividend Stocks
2. Top TSX Stocks

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:CRR.UN (Crombie Real Estate Investment Trust)
5. TSX:DIR.UN (Dream Industrial REIT)

6. TSX:EIF (Exchange Income Corporation)
7. TSX:EXE (Extendicare Inc.)
8. TSX:FN (First National Financial Corporation)
9. TSX:GRT.UN (Granite Real Estate Investment Trust)
10. TSX:KEY (Keyera Corp.)
11. TSX:NPI (Northland Power Inc.)
12. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
13. TSX:PPL (Pembina Pipeline Corporation)
14. TSX:RNW (TransAlta Renewables)
15. TSX:SJR.B (Shaw Communications)

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Category

1. Dividend Stocks
2. Top TSX Stocks

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