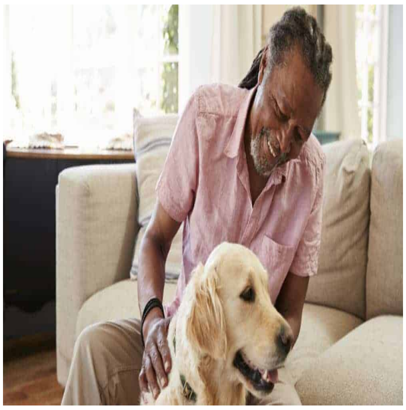

Retirees: The Best Dividend Stocks to Own in 2021

Description

The new Canadian budget turned heads after a year that saw historic government spending during a devastating pandemic. In the budget, OAS payments for pensioners who are 75 years old and above are set to increase by 10% beginning in July 2022. The criteria for the Disability Tax Credit was also tweaked to expand the list of mental functions required for everyday life. This is good news for retirees. However, this cohort should also look to expand their income by stashing dividend stocks that offer monthly income. Today, I want to look at three of my favourites to snatch up in the month of May.

Why retirees can trust this REIT in the spring

In February, I'd suggested that Canadians should target REITs ahead of the March RRSP deadline. **SmartCentres REIT** (TSX:SRU.UN) is a Vaughan-based real estate investment trust with a heavily diversified portfolio. Shares of this REIT have climbed 25% in 2021 as of early afternoon trading on April 30. This dividend stock offers a monthly dividend of $0.154 per share, representing a tasty 6.5% yield. Retirees can feast on this hefty income.

SmartCentres had a strong finish to a difficult year. Its overall occupancy level stayed at an industry-leading level of 97.3% at the end of 2020. SmartCentres REIT is a dividend stock that retirees can trust for the long haul.

A top dividend stock to own this decade

Back in March, I'd discussed why Canadians should seek exposure to green energy stocks. **TransAlta Renewables** (TSX:RNW) has been one of the highest performers in this space. The company develops, owns, and operates renewable power-generation facilities. Shares of TransAlta have climbed 13% in 2021 at the time of this writing. The dividend stock is still up 30% from the prior year.

Retirees can depend on TransAlta's income while also stashing a stock with exciting long-term potential. The company released its fourth-quarter and full-year 2020 results on March 3. Comparable

EBITDA increased 5% year over year to $462 million in 2020. Meanwhile, adjusted funds from operations (AFFO) increased 3% to $355 million. TransAlta's renewable power production jumped 19% from the prior year to 724 GWh.

This dividend stock last paid out a monthly distribution of $0.078 per share. That represents a solid 4.8% yield. Retirees should hold this green energy stock in their portfolio this decade.

One more dividend stock for retirees in May

Atrium Mortgage (TSX:AI) is the last dividend stock I'd suggest for retirees in late April. This investment corporation provides financing solutions to real estate communities across Canada. Its shares have climbed 35% from the prior year. The Canada housing market has gained considerable momentum in the face of the COVID-19 pandemic. Atrium is a great way for retirees to seek additional exposure to this red-hot industry.

The company's mortgage portfolio rose 2.1% from the prior year to $745 million at the end of 2020. Over 90% of its mortgages have less than 75% loan to value. Shares of this dividend stock last had a favourable P/E ratio of 14. Moreover, it offers a monthly distribution of $0.075 per share. That represents a strong 6.4% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:AI (Atrium Mortgage Investment Corporation)
2. TSX:RNW (TransAlta Renewables)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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