
Retirement Stocks: 1 Great Name for Canadians to Buy in April

**Description**

It's hard to find stocks in the current market with consensus "buy" ratings. **Fortis** (TSX:FTS)(NYSE:FTS), however, is one of those names. Its 45-year track record of consecutive annual dividend payments make this a great pick in terms of peace of mind. And while its current quarter could be a disappointment, the outlook for this sturdy utilities name is solid. Let's take a look at why Fortis beats most other retirement stocks today.



## One of Canada's best retirement stocks

This top-tier utilities name gets a lot of column space. That's because it's one of the safest dividend stocks on the TSX. This blue-chip Canadian energy company has a 45-year track record of consecutive payments under its belt. While much has been made of its balance sheet health, Fortis is nevertheless one of our best names. It's a buy for both long-term and short-term investors alike.

Retirees, or retirement investors just getting started, have a strongly defensive play in Fortis. Its base of regulated utility assets drives growth and underpins its safety. This is exactly the sort of business to stash in a Registered Retirement Savings Plan (RRSP). Its years of reliable earnings growth further strengthens the case for buying and holding Fortis long term in an RRSP or Tax-Free Savings Account (TFSA).

## Do REITs make good retirement stocks right now?

Investors need safety. Choose outperforming TSX dividend stocks that have the best track records and the strongest business model for these times. Some big names in oil are cheap right now. But recovery could be a long time coming for oil. That's why investors with narrow financial horizons may want to think shorter term.

Income investors are especially divided over real estate investment trusts (REITs) at the moment. Which REITs should you buy? Certainly not retail ones. The current European retail rental crisis could spread to North American shores. Brick-and-mortar retail could end up about as popular as oil for investors buying retirement stocks.

Apartment REITs are a safer option for retirement stocks but are far from airtight. The rental market is likely to see a tough couple of quarters. Rental agreements are coming under fire, as residents in Canada and the U.S. face hard decisions under quarantine conditions. With a pause on some types of mortgage repayments, an echoing cry is going up to halt rent collection.

If investors are set on adding a REIT, Canadian Apartment REIT, or CAPREIT, looks relatively solid. Its properties are mostly high-end urban sites. In theory, this should mean that CAPREIT's dividend is fairly secure, even if it ends up being paid in stock. The average yield for a Canadian REIT spiked to 7.8% last week, indicating how oversold they are.

## The bottom line

Defensive asset classes have become increasingly unequal. Utilities like Fortis are emerging as the most dependable choice for retirement stocks. Canadian gold stocks have been holding up well, and the yellow metal remains the benchmark for economic safety. CAPREIT is a moderate buy compared to other types of REIT in the current economic climate, though other asset classes should be considered first.



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