

3 Top Dividend Stocks Yielding Up to 5.2%

Description

If you want to read about exotic mining companies that could grow 10-fold by next week and sexy technology stocks with unpronounceable buzzwords, then income investing is not for you.

On the other hand if you mostly want solid, old-fashioned dividend paying companies, and will trade being the talk of the cocktail party for common sense investing, you'll like this strategy just fine.

It's no secret that the most rewarding stocks in the market aren't chasing rumours of gold fields in the Congo. Rather, it has been steady-eddy dividend-paying companies that have delivered solid returns for investors year after year. So if you're just getting started on your investing journey or looking for a new addition to your portfolio, here are three top dividend ideas to get you started.

1. Earn a 5.9% yield in real estate without dealing with deadbeat tenants

Owning units of **RioCan REIT** ([TSX: REI.UN](#)) makes you a partner in one of the country's largest real estate empires. This firm is one of North America's largest commercial landlords and probably owns many of the malls and shopping centers you shop at every day.

As you may have guessed, this landlord specializes in commercial and industrial tenants. I'm talking about major firms like **Walmart**, **Canadian Tire**, **Shoppers' Drug Mart**, and many others business I'm certain you're familiar with. These types of tenants are rock-solid from a financial perspective, always pay their rent on time, and certainly are not going out of business in the near future.

But what attracts me most to this firm is the trust's steady distribution. Today, the firm pays investors a monthly distribution of \$0.12 per share and yields 5.2%. And since 1994, RioCan has never missed a dividend payment to unitholders — a time period that includes three recessions.

2. Earn a 4.0% yield from this dividend aristocrat

Fortis ([TSX: FTS](#)) is one of the market's best-kept secrets. If you own shares of this company, you own a basket of monopolies from across the continent.

In total, regulated utilities account for 90% of Fortis' business and the company serves more than 2.4 million customers across Canada and in New York State and the Caribbean. That practically guarantees a steady stream of revenues. And in addition to this wonderful business, the company has a stake in petroleum supply operations in the United States, commercial real estate in the Maritimes, and hotels across Canada.

This has been a profitable combination for shareholders. Since 1972, Fortis has increased its dividend every year. And today, the company pays investors a quarterly dividend of \$0.32 per share with a yield of 4.0%.

3. Profit from North America's energy renaissance with this pipeline stock

TransCanada ([TSX: TRP](#))([NYSE: TRP](#)) is vital to our day-to-day lives. The company owns pipelines and terminals that ship and store crude oil, natural gas, and jet fuel — the commodities that fuel our 21st century society. That means TransCanada's business is as stable as it gets.

This company is also an important part of North America's energy renaissance. Thanks to new technologies like stream assisted gravity drainage, hydraulic fracturing, and horizontal drilling, billions of barrels of previously unexploited energy are now being pulled out of remote oil fields across the continent. Companies like TransCanada that actually ship and store all of these hydrocarbons are poised to make a fortune.

This has translated into impressive returns for investors. Since 2000, TransCanada has increased its dividend more than 14 times and today the stock yields 3.7%. Thanks to North America's energy revolution, shareholders can expect more dividend increases in the years to come.

Foolish bottom line

Yes, dividend investing is a little stodgy. Mention any of the companies on this list at your next cocktail party and expect to see some eyes glaze over. Yet history shows that boring, steady-eddy dividend stocks are the most lucrative to own over the long haul.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:FTS (Fortis Inc.)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)
4. TSX:TRP (TC Energy Corporation)

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Author

rbailieul

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