Get Paid Now With These 3 Stocks Yielding Up to 7.7%

Description

Investors everywhere are lamenting the lack of good, solid income choices.

Bonds? Nope. The average corporate bond has a yield of just 3%. Investors can get a slightly higher yield if they're willing to hold something for 10 years or more, but that brings a whole new set of risks into the equation. What if rates rise and the price of the bond falls? It takes a lot of income to make up for the drop in price in that scenario.

GICs? Nope. They're even worse. I have some money in a GIC, and I practically weep whenever I look at the small amount of interest I earn.

Preferred shares? They're a little better, with yields often around 5%. Investors enjoy the tax treatment from such shares since they pay out dividends and not interest, and they're liquid enough that anyone can trade them. However, preferred shares are complex and prone to bigger price swings than bonds, especially when bad news hits the company.

It's not all bleak. There are solid companies out there that pay nice dividends. Some of those dividends are even growing, making them a perfect choice for a retiree, since inflation is as inevitable as death and taxes. Here are three of my favorite high-yielding investments.

1. BCE Inc.

Shares of **BCE Inc.** (TSX: BCE)(NYSE: BCE) have been weak ever since it announced that it was acquiring the 56% of **Bell Aliant Inc** it doesn't already own. Thanks to this pullback, the stock now yields more than 5%.

The acquisition is a big win for BCE in a couple of ways. The company expects to save more than $100 million per year just on synergies alone, as well as adding $200 million per year in free cash flow after paying dividends. A lot of that money is going to go right back into improving Bell Aliant's broadband network, a good long-term investment.

It's going to be difficult for BCE's rivals to match this acquisition, as **Telus Corporation** keeps trying to acquire Mobilicity and keeps getting blocked by the federal government, and **Rogers Communications Inc.** has its own wireless problems to fix before it can move onto bigger things.

2. Cominar Real Estate Investment Trust

Last year, Canada's REIT sector fell as investors were concerned that interest rates were going to go up. Most of the sector recovered when rates didn't budge. However, **Cominar Real Estate Investment Trust** (TSX: CUF.UN) didn't, which is one of the reasons why it's a good buy at today's levels.

Cominar has been working hard to expand operations outside of its home province of Quebec, and recently made a handful of acquisitions in Alberta and Ontario, with a focus on the Toronto area. Those measures have been working, as recent results indicated that operating income was up 10% and net income was up 7%.

The company increased its dividend by 2% on the news, boosting its yield to 7.6%. Investors don't have to worry about the safety of the dividend, since the payout ratio is comfortably under 90%.

3. Dream Office REIT

Another great choice for income investors is **Dream Office REIT** (TSX: D.UN) and its 7.7% yield.

Dream is one of Canada's largest owners of office buildings, with 182 buildings and more than 24 million square feet of leasable area. Approximately 60% of its portfolio is located in Toronto and Calgary, two high-growth cities.

Even though Dream has some of Canada's top companies as tenants, it also hasn't recovered from last year's REIT sector sell-off. Patient investors who get in now can not only look forward to a succulent yield, but possibly capital gains as well. The market will eventually forgive Dream and send it higher.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:D.UN (Dream Office Real Estate Investment Trust)

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