



3 Top Dividend Stocks Yielding Up to 8.7%

Description

These three stocks represent some of my favourite income ideas for the year, and they pay dividend yields of 6.5%, 6.6%, even 8.7%.

Of course, higher payouts often entail higher risk. In most cases, an astronomical yield is usually a bad sign for stock. That's why it's critical to do your homework before investing in them.

That said, the companies below sport sustainable cash flows, a solid capital structure, and a strong management team. That means investors can count on a steady stream of dividend income. So if you have a hankering for yield, check out the stocks below.

1. Dream Global REIT

It might be the greatest source of income out there, owning rental properties. You collect rent cheques month after month, and almost every year your property values go up. No wonder many people *retire* on the income generated from their investment properties.

However, owning rental real estate is also kind of a hassle, or at least it used to be until now. **Dream Global REIT** (TSX: DRG.UN) makes you a partner with an already-established, highly successful landlord. Its business empire totals approximately 15.7 million square feet of grade A office space throughout Germany.

This quality is how Dream Global has been able to pay such consistent, oversized rent cheques to its investors. Today, the trust pays a monthly distribution of 6.67 cents per unit. That comes out to an annualized yield of 8.7%.

2. Crescent Point Energy Corp.

The meek shall inherit the Earth, but not its mineral rights. Nowhere is that more evident than in **Crescent Point Energy Corp.** (TSX: CPG)(NYSE: CPG).

Through a series of bold acquisitions, it has grown from an obscure energy startup into one of the

largest oil companies in the country. Crescent Point has built huge positions in a number of fast-growing shale plays including the North Dakota Bakken and the Utah Uinta Basin. All of this has translated into double-digit production growth for investors.

Of course, we're only concerned about the stock's dividend. Today, Crescent Point shares sport a hearty 6.6% yield. And given that the company is paying out less than half of its fund flows from operations, you can count on another distribution hike in the near future.

3. Canadian Oil Sands Ltd.

Canadian Oil Sands Ltd. (TSX: COS) makes you a partner in the largest energy asset in the country: the Syncrude oil sands project. Current production capacity is 350,000 barrels of crude per day — enough to supply 6.2 million Canadians with their petroleum requirements. Altogether, this venture alone accounts for 14% of western Canada's oil production.

However, the main reason I like this company: the stock's huge distribution. Canadian Oil Sands pays a quarterly dividend of 35 cents per share, which comes out to an annualized yield of 6.5%. That's three times higher than the average payout in the Canadian energy sector.

This distribution should continue to grow. With the completion of several Syncrude enhancements, the company's capital budget is projected to fall 80% over the next three years. That will free up an enormous amount of cash flow for dividend hikes and share buybacks.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:VRN (Veren)
2. TSX:VRN (Veren Inc.)

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Date

2025/07/05

Date Created

2014/09/19

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