

## 3 Top Stocks to Buy With Yields Up to 8.6%

### Description

Did you know that the word *dividend* arranged backwards spells *awesome*?

Well, not exactly. But while stock prices will fluctuate wildly day-to-day, you can almost always count on your dividend cheques to arrive in the mailbox. And in this period of ultra-low interest rates, income stocks also offer a compelling alternative to bonds.

So, when looking for stocks to buy, you could do worse than double-down on dividend payers. Here are three promising companies with yields up to 8.6%.

#### 1. Suncor Energy Inc.

These are hard times in the energy business. Since July, crude prices have fallen by more than 50%. As a result, oil stocks like **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)) have been crushed.

Time to panic? Hardly. If you believe in buying wonderful businesses when Mr. Market throws a sale, then now could be a great time to scoop up this stock on the cheap.

As a result of the sell-off, Suncor is now absolutely gushing dividends. Since 2011, the company has nearly doubled the size of its payout and repurchased over 10% of outstanding shares. Today the stock yields a fair 3.2%.

#### 2. Dream Office REIT

**Dream Office REIT** ([TSX:D.UN](#)) is a real estate investment trust, so it's required to pay out most of its income in distributions. That's why this firm has been able to deliver such consistent, oversized rent cheques and yields a tidy 8.6%.

As you might have guessed, this firm is focused on office buildings, and has a portfolio of more than 300 properties across the country. Unlike residential houses or apartments, commercial tenants sign long leases of 10 years, 15 years, and even longer. This makes these assets relatively predictable investments.

Of course, there are no sure things in the investing world. If interest rates rise, REITs like Dream could take a hit. Still, it's likely to be a great long-term income generator and you might want to add it to a watch list.

#### 3. Canadian Utilities Limited

One of my favourite dividend aristocrats is **Canadian Utilities Limited** ([TSX:CU](#)) because it's one of the best defensive plays I know of.

Canadian Utilities shines during recessions. The power bill is the last payment you'll skip if the

economy takes a nosedive. And there aren't exactly two sets of power lines running into your home. So, if Canadian Utilities is in your neighborhood, you have to pay them for electricity.

This has translated into a dependable stream of dividends for shareholders. Canadian Utilities has increased its payout for 42 consecutive years. Today the stock pays out 29 cents per quarter, which comes out to an annual yield of 2.8%.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:D.UN (Dream Office Real Estate Investment Trust)
4. TSX:SU (Suncor Energy Inc.)

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## Author

rbailieul

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