3 Dividend Stocks Yielding Over 8%

Description

Historically, the market returned between 5-7%. Today, investors can receive monthly income from three companies that total to over 8% in the course of a year. With the income alone, you beat the market returns.

The companies are **Crescent Point Energy Corp.** (TSX:CPG)(NYSE:CPG), **Dream Global REIT** (TSX:DRG.UN), and **Dream Office REIT** (TSX:D.UN).

Ticker	Price	Yield	Industry	Market Cap	Debt to Capital
CPG	$28	9.8%	Oil & Gas Exploration & Production	12.7B	26%
DRG.UN	$9.8	8.2%	Office REIT	1.1B	49%
D.UN	$26.2	8.6%	Office REIT	2.8B	39%

Crescent Point Energy Corp.

Crescent Point Energy Corp. is an oil and gas exploration and production company. One of its strategies is to acquire high-quality, long-life reserves in Canada and the United States. Recently, it announced the acquisition of **Legacy Oil Plus Gas Inc.,** which would add to its assets in Saskatchewan.

The Crescent Point CEO, Scott Saxberg, said, "[The] acquisition improves the long-term sustainability of our business model and our dividend not only through financial accretion and a lower payout ratio, but through the addition of a mix of assets with significant growth potential, low-decline rates and water-flood potential…"

However, the low oil price is a concern, and no one knows how long it'll stay low or whether it has bottomed.

Dream Global REIT

Dream Global is your gateway to getting exposure to the German commercial real estate market. Dream Global receives 67% of its gross rental income from the top office markets in Germany's major cities of Hamburg, Munich, Frankfurt, Stuttgart, Dusseldorf, Berlin, and Cologne.

Its payout ratio of 92% is a bit high even for a REIT. However, the distribution of 8.2% remains sustainable for the time being.

Dream Office REIT

Dream Office REIT owns a portfolio of hard-to-replicate central business districts and suburban office properties. Its top tenants include easily recognizable brands such as **Bank of Nova Scotia**, the government of Canada, the government of Ontario, **Bell Canada**, **Telus**, and **Enbridge**. They contribute to 27% of Dream Office REIT's gross rental revenue.

With a 78% payout ratio, Dream Office's yield of 8.6% is a sustainable one. There's also a potential for juicy capital gains as its net asset value indicates a price of above $32.

A word of caution

Of course, investors know not to fill their whole portfolio with high yielders. Different kinds of stocks come with unique risks. For high yielders, the stocks tend to tumble if investors see any hints that their dividends may be unsustainable.

Crescent Point is an example of this. Along with the oil price, it has tumbled in price, pushing its already high yield of about 6% even higher to above 9% today.

A portfolio diversified with high yielders with slow growth, moderate yielders with moderate growth, and low yielders with high growth makes a more balanced income portfolio.

What I know is this:

When the oil prices were high, many investors bought energy companies, causing their stock prices to hit new highs. Now that oil prices and the stock prices have tumbled, no one wants to touch those companies anymore. That's when bargains can be found.

Patient investors willing to wait out the industry turbulence of these companies can be rewarded by an income that beats the average market returns.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

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