3 Big Dividends That Cost Less Than $10

Description

On *Mad Money*, a popular CNBC show, host Jim Cramer has in the past recommended buying "accidental high yielders." What does he mean by this?

Well, whenever a stock's price decreases, its dividend yield goes up (assuming it pays a dividend at all). So, when a stock goes down by a lot, it can result in a big yield.

This description could describe all the stocks listed below. They all pay a nice dividend, and have seen their share prices decrease significantly. In fact, they all trade for under $10.

1. Dream Office REIT

If you're looking for big dividends that won't get cut, real estate investment trusts (REITs) are a good place to start. And one of the highest-yielding REITs is **Dream Office REIT** (TSX:D.UN). As of this writing, Dream yields a very healthy 8.6%.

So, why does Dream yield so much? Well, it's partly because the shares are down by nearly 30% since early February 2013. The dividend has stayed the same throughout, but, of course, now the yield is much better. As a bonus, it's paid monthly.

Better yet, the dividend is likely safe. Dream's tenants are typically large organizations, such as **BCE**, **Enbridge**, and the Government of Canada. These kinds of tenants don't tend to default on their rent.

2. TransAlta

Power producer **TransAlta Corporation** (TSX:TA)(NYSE:TAC) has seen its shares fall even more than Dream's—shares have fallen by 52% in the past five years. As a result, its dividend yields north of 7%.

More recently, the company started to take some positive steps, and the stock price reacted in kind.But with the recent NDP victory in Alberta, investors are worried about TransAlta's emphasis on coalpower, something that Premier Rachel Notley wants phased out.

But TransAlta is already phasing out its coal power, and Ms. Notley is unlikely to accelerate this plan. Meanwhile, the company continues to cut costs, and appears to be on more stable footing. So, this is another great opportunity to pick up a cheap stock and collect a nice dividend.

3. Trinidad Drilling

As oil prices continue to languish, producers have been cutting back on drilling. This has hurt the energy service firms, sending their stock prices into a free fall. **Trinidad Drilling Ltd.** (TSX:TDG) is a perfect example.

Trinidad's stock price has fallen by two-thirds in the past year, even though its dividend has remained the same. As a result, the company now yields a juicy 5%, even though the company never intended to have a big dividend.

For this reason, Trinidad's stock could easily soar, even if oil prices only recover by a small amount. In the meantime, it will pay out a big dividend to shareholders while they wait.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:TAC (TransAlta Corporation)
2. TSX:D.UN (Dream Office Real Estate Investment Trust)
3. TSX:TA (TransAlta Corporation)
4. TSX:TDG (Trinidad Drilling Ltd.)

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