3 Dividend Stocks With Impressive Payout Histories

Description

Getting paid to wait is always a nice bonus. Having enough earnings power to boost the payout along the way is even better. Even if a company has an impressive dividend, it doesn't necessarily mean that it's able to grow, or that it's even sustainable. Finding a proper mix of income and growth is essential to achieving a maximum value portfolio.

The following three companies, all with yields exceeding 4% a year, have found a way to reward income investors, while also retaining enough cash to reinvest back into the business, grow profits, and eventually return even more money to shareholders.

Utilities are a classic choice

As with many utilities, **Emera Inc.** (TSX:EMA) has paid out a consistent, reliable, and growing dividend stream to shareholders. Primarily, the company owns and invests in electricity generation, transmission, and distribution. This has typically been a sector that dividend seekers can rely on.

After recently bumping its quarterly payout to $0.40 a share, shareholders now get an annual dividend worth 4.3%. While this isn't the highest yield in the market, there's reason to believe that Emera can continue to grow it at an impressive pace.

Emera recently announced its intention to acquire **TECO Energy, Inc.**, ensuring a new platform of growth for years to come. The acquisition makes Emera one of the top 20 largest North American utilities, adding more geographic, regulatory, and business-mix diversification.

With 80% of its revenue streams now on regulated, long-term contracts, investors can rely on Emera's 4.3% dividend while anticipating plenty of growth.

A small cap few have heard about

With a market cap of only $350 million, don't be surprised if you haven't heard of **Acadian Timber Corp.** (TSX:ADN). If you're an income investor, however, this could be the perfect stock for you.

Acadian owns and manages over 760,000 acres of timber lands in New Brunswick, approximately 310,000 acres of timber lands in Maine, and it also provides management services to nearly 1.3 million acres of third-party timber lands.

This has proved to be quite the business. Since 2010, shares have grown by over 200%, with the dividend exploding from $0.02 per share to $0.23 off higher earnings. Right now, investors can buy the stock for only eight times earnings and achieve a 4.5% yield.

With the annual dividend payment totaling $0.90 a share and earnings at $2.45 a share, investors have plenty of wiggle room that should allow for a very stable dividend.

REITs have plenty of benefits, but pay attention to risks

Required to pay out a majority of earnings, REITs are typically havens for high-dividend seekers. **H&R Real Estate Investment Trust** (TSX:HR.UN) is no exception. The REIT invests in properties throughout Canada and the United States. Its portfolio consists of 42 offices, 112 industrial properties, and 167 retail properties comprising over 53 million square feet. Often overlooked, it also owns a 33.7% interest in **ECHO Realty LP,** which owns 173 properties totaling 7.3 million square feet.

Shares look relatively cheap at 0.8 times book value with a 6.4% yield. The company has paid out a fairly steady stream of growing dividends since 2008. Because of its inherently high exposure to the real estate market, however, investors should take consider the risks of a possible property bubble. While the two companies listed above are less exposed to this risk, both come with lower dividend payments.

If you can stomach the added risk, a 6.4% annual dividend can be quite attractive.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ADN (Acadian Timber Corp.)
2. TSX:EMA (Emera Incorporated)
3. TSX:HR.UN (H&R Real Estate Investment Trust)

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