



3 Superb Stocks About to Hike Their Dividends

Description

Who doesn't love to get a raise? The owners of these three superb stocks are just about to enjoy one.

And what makes these stocks all the more attractive is that they offer safe, high yields of 4-6% *before* the raise. Their average yield pretty much doubles the income you'd get from investing in a broad market index in Canada.

Another positive is that **Brookfield Asset Management Inc.** is the common general partner and manager of these companies. Brookfield Asset Management has extensive experience and connections and owns large stakes of at least 30% in each company. So, management's interests align with that of the unitholders.

Without further ado, here are the superb companies, what they do, and what kind of income and income growth you can expect from investing in them today.

Brookfield Infrastructure Partners L.P. ([TSX:BIP.UN](#))([NYSE:BIP](#)) owns and operates high-quality, long-life assets, which provide essential products and services across five continents.

It has a diverse portfolio across core infrastructure sectors of utilities, transportation, energy, and communication. Its assets include, but are not limited to, 10,500 km of transmission lines, 38 ports, about 3,600 km of toll roads, roughly 10,000 km of rail operations, 15,000 km of natural gas pipelines, and about 7,000 multi-purpose towers and active rooftop sites.

Low-maintenance capital is needed for its assets. Additionally, Brookfield Infrastructure generates 90% of its cash flows, which are regulated or contracted. Moreover, 70% are indexed to inflation. These factors support a reliable and growing dividend.

Since 2009 Brookfield Infrastructure has hiked its dividend at an average rate of 12%. Going forward, management aims to hike its dividend by 5-9% per year, which is supported by cash flow growth of 6-9% per year. You can get a starting yield of 4.6% right now.

office building type unknown

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Brookfield Property Partners LP ([TSX:BPY.UN](#))(NYSE:BPY) owns, operates, and develops property assets. It has a core office and retail portfolio, which makes up about 80% of its balance sheet.

Its core portfolio has a high occupancy of up to 95% and generates stable cash flows, which support a growing dividend.

On top of that, Brookfield Property has opportunistic investments in multifamily, industrial, hospitality, triple net lease, and self-storage assets which aim for higher returns.

Brookfield Property's diversified portfolio allows it to pay reliable and growing dividends. Since 2013, it has hiked its dividend by 12%. Going forward, management expects to grow its dividend by 5-8% per year. Currently, it offers a juicy 5% yield.

Brookfield Renewable Partners LP ([TSX:BEP.UN](#))(NYSE:BEP) has a portfolio of renewable power-generation assets across seven countries. It has about 260 power-generating facilities with an installed capacity of roughly 10,700 MW.

Brookfield Renewable generates high-quality cash flows. First, it generates 88% of its cash flows from perpetual hydro assets. Second, roughly 90% of its cash flows are contracted for the long term with inflation-linked escalations.

These factors allow Brookfield Renewable to pay reliable and growing dividends. Since 2011 the utility has hiked its dividend at an average rate of 6.5%. Going forward, management aims to hike its dividend by 5-9% per year. Currently, it starts you off with a 6.1% yield.

The takeaway

Based on their usual dividend-hike schedule, the three global companies are expected to increase their dividends by February. They offer quality yields of 4-6%, which are set to grow at least 5% and up to 9% a year.

From the recent histories of the partnership companies, to avoid withholding taxes on foreign-sourced distributions, interested investors should consider holding Brookfield Property and Brookfield Infrastructure in an RRSP and Brookfield Renewable in an RRSP or TFSA. Consult a financial advisor or tax professional if needed.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
5. TSX:BPY.UN (Brookfield Property Partners)

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