



2 Excellent Dividend-Growth Stocks With Yields Over 4%

Description

Investing in high-yielding dividend-growth stocks is a great way to generate sizable returns over the long term. With this in mind, let's take a look at two with yields over 4% that you could buy right now.

Brookfield Property Partners LP

Brookfield Property Partners LP ([TSX:BPY.UN](#))(NYSE:BPY) is one of the world's largest owners, operators, and investors in commercial real estate assets with approximately US\$65 billion in total assets as of December 31, 2016. Its assets include 142 office properties totaling 99 million square feet and 127 retail properties totaling 125 million square feet as well as multifamily, triple net lease, industrial, hospitality, self-storage, and student-housing assets, which are located across over 30 countries around the world.

Brookfield currently pays a quarterly distribution of US\$0.295 per unit, equal to US\$1.18 per unit on an annualized basis, which gives it a yield of about 5.2% today.

A yield over 5% for one of the world's most well-known and trusted real estate companies is very good, and the fact that it has also shown a strong dedication to growing its distribution makes it great. It has raised its annual distribution for two consecutive years, and its 5.4% hike in February has positioned for 2017 to mark the third consecutive year with an increase.

Brookfield is a top pick for distribution-growth going forward as well. It has a long-term distribution-growth target of 5-8% annually, and I think its continually strong growth of funds from operations (FFO), including its 6.3% year-over-year increase to US\$1.18 per unit in 2015 and its 15.3% year-over-year increase to US\$1.36 per unit in 2016, and its vastly improved payout ratio, including 82.3% of its FFO in 2016 compared with 90% in 2015, will allow it to achieve its distribution-growth target into the late 2020s at least.

North West Company Inc.

North West Company Inc. ([TSX:NWC](#)) is one of the leading retailers of food and everyday products and services to rural communities and urban neighbourhood markets in Canada, Alaska, the South

Pacific, and the Caribbean. It operates 241 stores under the trading names Northern, NorthMart, Giant Tiger, AC Value Center, Cost-U-Less, and RiteWay Food Markets.

North West currently pays a quarterly dividend of \$0.32 per share, equal to \$1.28 per share on an annualized basis, and this gives it a yield of about 4.1% today.

North West may have a lower yield than Brookfield, but its streak of annual dividend increases is twice as long. It has raised its annual dividend payment for five consecutive years, and its 3.2% hike in March has it on pace for 2017 to mark the sixth consecutive year with an increase.

I think North West will continue to be one of the industry's best dividend-growth stocks in the years ahead too. I think its very strong earnings growth, including its 10.9% year-over-year increase to \$1.43 per diluted share in 2015 and its 9.8% year-over-year increase to \$1.57 per diluted share in 2016, and its growing store count that will help fuel future growth, including its addition of four net new stores in 2016 and nine net new stores so far in 2017, will allow its streak of annual dividend increases to continue for another six years at least.

Which of these dividend stars belongs in your portfolio?

I think Brookfield and North West are two of the best dividend stocks in their respective industries, so take a closer look at each and strongly consider adding at least one of them to your portfolio today.

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1. Dividend Stocks
2. Investing

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1. Editor's Choice

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1. TSX:BPY.UN (Brookfield Property Partners)
2. TSX:NWC (The North West Company Inc.)

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