



## 2 Value Stocks With Enormous Dividends to Buy Now

### Description

If I didn't own these dividend stocks already, I'd certainly consider buying some shares today. They offer enormous yields of 5.4-6.7%, so shareholders are paid to own the businesses. They trade at reasonable or discounted valuations compared to the pricey market. And they have the potential for future dividend growth.

Without further ado, here are the stocks.

**Altagas Ltd.** ([TSX:ALA](#)) is popular among income investors for its big yield, which currently stands at 6.7%. It has a diversified business, which processes and transports natural gas, generates power with clean energy, and distributes natural gas to more than 570,000 customers.

Currently, its power business dominates the generation of its earnings before interest, taxes, depreciation, and amortization at 40%, followed by its regulated gas utility business at 36%, and its gas business at 24%.

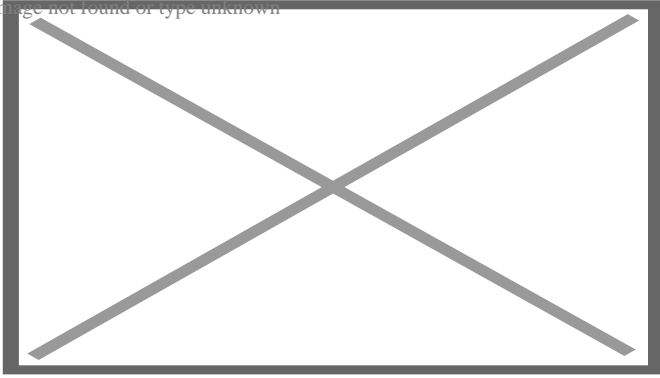
Its \$8.4 billion **WGL Holdings** acquisition, which is expected to close in mid-2018, will push the contribution of its regulated gas utility business temporarily higher.

Other than the transformative acquisition, Altagas also has other projects to grow its business. In the long run, the company aims to have a balanced portfolio across its three businesses.

Altagas has increased its dividend for five consecutive years. Its dividend per share is 52% higher than it was five years ago. It pays a monthly dividend that's supported by a sustainable payout ratio based on its cash flow generation.

At about \$31.40 per share, Altagas trades at a reasonable multiple of 10.2. If it closes the WGL acquisition, management aims to grow its dividend by 8-10% per year for the next few years.

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If I could only own one real estate stock, it'd be **Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NYSE:BPY).

The limited partnership owns a core portfolio of best-in-class office and retail properties, which makes up about 80% of its balance sheet.

The rest of its portfolio consists of opportunistic investments across multifamily, industrial, hospitality, triple net lease, self-storage, and student housing sectors, which aim for higher returns.

Brookfield Property's global portfolio generates strong cash flows, which support an enormous yield that stands at 5.4%. Its high yield is thanks partly to a strong U.S. dollar against the Canadian dollar as the stock pays a U.S. dollar-denominated distribution.

Unitholders can opt to receive the distribution in the Canadian or U.S. currency by communicating with their brokerages.

Management is not shy about capitalizing on mature assets and recycling the capital into mispriced, quality assets, which are intended to deliver higher returns. Capital gains, alongside its cash flow generation, allow the company to grow its distribution by 5-8% per year.

At below \$30 per unit, Brookfield Property trades at a discount to its IFRS value. So, it's a great opportunity to buy some shares today.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

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2. TSX:BPY.UN (Brookfield Property Partners)

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