



3 Dividend-Growth Stocks Yielding Over 3.5% to Buy in July

Description

Every portfolio should hold a few dividend-growth stocks, because dividend-growth investing is one of the most powerful and time-proven strategies to build wealth. With this in mind, let's take a look at three with yields over 3.5% that you could buy this month and hold for decades.

Valener Inc.

Valener Inc. (TSX:VNR) is a publicly traded entity whose main assets consist of a 29% ownership interest in Gaz Métro and a 24.5% ownership interest in Seigneurie de Beaupré Wind Farms. Gaz Métro is the largest natural gas distributor in Québec, and it's the sole natural gas distributor and the largest electricity distributor in Vermont, and Seigneurie de Beaupré Wind Farms is one of Canada's largest wind power facilities.

Valener pays a quarterly dividend of \$0.28 per share, equal to \$1.12 per share annually, which gives it a 5% yield today.

Investors must also make the following two notes.

First, Valener has raised its annual dividend payment for two consecutive fiscal years, and its 3.7% hike in November has it on pace for fiscal 2017 to mark the third consecutive year with an increase.

Second, the company has a dividend-growth target of 4% annually through fiscal 2022, and I think its consistently strong bottom-line growth, including its 10.2% year-over-year increase to an adjusted \$1.30 per share in fiscal 2016 and its 7.9% year-over-year increase to an adjusted \$1.37 per share in the first half of fiscal 2017, will allow it to achieve this growth target and either extend it or announce a new one that extends into the late 2020s or early 2030s.

Canadian Apartment Properties REIT

Canadian Apartment Properties REIT ([TSX:CAR.UN](https://www.careit.com)), or CAPREIT for short, is one of Canada's largest owners and operators of residential properties, including apartment buildings, townhouses, and land-lease communities. As of March 31, its portfolio consisted of ownership interests in 48,773

residential units, which includes 42,322 residential suites and 6,451 land-lease sites at 31 manufactured home communities.

CAPREIT pays a monthly distribution of \$0.1067 per unit, equal to \$1.28 per unit annually, giving it a 3.8% yield today.

It's also important to make the following two notes.

First, the company has raised its annual distribution for five consecutive years, and its recent hikes, including its 2.4% hike in February, have it on pace for 2017 to mark the sixth consecutive year with an increase.

Second, I think CAPREIT's consistently strong growth of normalized funds from operations, including its 4.7% year-over-year increase to \$1.772 per unit in 2016 and its 4.9% year-over-year increase to \$0.429 per unit in the first quarter of 2017, will allow its streak of annual distribution increases to easily continue into the 2020s.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is Canada's third-largest bank by assets with about \$921.65 billion as of April 30, 2017. It provides a broad range of financial products and services to 23 million customers in North America, Latin America, the Caribbean, Central America, and parts of Asia.

Bank of Nova Scotia pays a quarterly dividend of \$0.76 per share, equal to \$3.04 per share annually, which gives it a 3.9% yield today.

Investors must also make the following two notes.

First, Bank of Nova Scotia has raised its annual dividend payment for six consecutive fiscal years, and its recent hikes, including its 2.7% hike in February, have it positioned for fiscal 2017 to mark the seventh consecutive year with an increase.

Second, the company has a target dividend-payout range of 40-50% of its net income attributable to common shareholders, so I think its continued growth, including its 1.3% year-over-year increase to \$6.99 billion in 2016 and its 20.3% year-over-year increase to \$3.87 billion in the first half of fiscal 2017, will allow its streak of annual dividend increases to continue for the foreseeable future.

CATEGORY

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2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)

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