3 Stocks With Safe 7% Yields

Description

We have bills to pay every month, so there's nothing more convenient than getting monthly dividend cheques from your holdings to help pay those bills. Here are three great candidates for safe, high income today.

Northview Apartment REIT (TSX:NVU.UN) and **NorthWest Health Prop Real Est Inv Trust** (TSX:NWH.UN) are real estate investment trusts (REITs) that earn stable rental income from their properties to support their distributions.

Altagas Ltd. (TSX:ALA) is a diversified energy infrastructure company, which has a portfolio of gas-distribution utilities, power facilities, and gas processing, and transportation assets that generate largely predictable cash flow to support its dividend.

Northview Apartment offers a 7.3% yield

Northview has a portfolio of residential and commercial properties, which generate 90% and 10%, respectively, of its net operating income (NOI).

Although Northview generates nearly a quarter of its NOI in the western part of Canada, including Alberta, the REIT's recent occupancy for its overall portfolio remained stable at 92.3%. Coupled with a recent payout ratio of below 80%, the REIT's distribution should remain intact.

At $22.30 per unit, Northview offers a safe yield of 7.3%. If the stock retreats to the $21 level or lower, it'd be an even better opportunity to pick up some shares for higher income.

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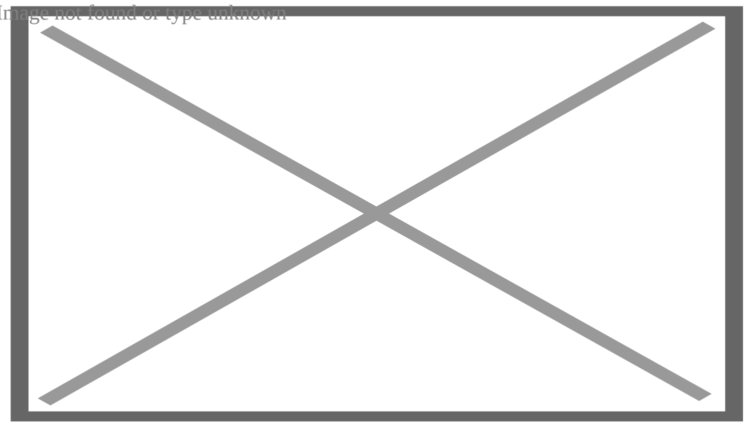

Northwest Healthcare Properties offers a 7% yield

Northwest owns and collects rent from a global portfolio of medical office buildings, hospitals, and other healthcare properties. Its recent occupancy and payout ratio are about 96% and 83%, respectively.

The REIT's weighted average lease expiry is about 11 years. Moreover, some of its leases are indexed to inflation. Both improve the safety of its distribution.

At $11.40 per unit, Northwest offers a secure yield of 7%. If the stock retreats to the $10.50 level or lower, it'd be a better opportunity to pick up some shares for higher income.

Altagas offers a 7.3% yield

Altagas's cash flow generation is largely regulated or contracted for the long term. In the long run, it aims to have a balanced portfolio between its three business segments.

Notably, the pending **WGL Holdings** acquisition, which is expected to close by mid-2018, will boost Altagas's utility EBITDA contribution to 50% in the short term.

The news of the WGL acquisition seemed to have been the trigger of the initial pullback of Altagas's shares early in the year, which have led to the stock's underperformance in the last year.

However, the stock saw strength in the last week or so, which could mean the market had finally realized that it was too cheap to ignore. It's not too late to buy some shares now for a turnaround and for its amazing yield. The company aims to increase its dividend by 8-10% per year through 2021 if it successfully acquires WGL.

Investor takeaway

Altagas is a good buy now for a safe 7.3% yield and upside potential. Investors looking for a bigger margin of safety should wait for a pullback in Northview and Northwest.

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