



TFSA Investors: These 3 Utility Stocks Pay More Than 4% in Dividends

Description

TFSA accounts are great vehicles to store dividend stocks, so you can accumulate tax-free income from dividends and capital appreciation. There are lots of choices on the TSX for good dividends, but utilities in particular are good options because of the stability and necessity that the companies represent. There are high barriers to entry for companies to get into the industry, and, as a result, utility stocks have a great deal of moat. Stocks in these industries are also less risky than other investments because utility companies generally have a strong foundation of recurring customers, and sales are usually easier to grow.

Below I have a list of three excellent utility stocks that you can add to your TFSA portfolio that pay over 4% in dividends. All of the companies here have experienced strong growth recently and could be excellent long-term investments that you can hold for many years to come.

Brookfield Renewable Partners LP ([TSX:BEP.UN](#))([NYSE:BEP](#)) has a portfolio of renewable assets that includes over 215 hydroelectric facilities and more than 250 renewable power facilities that are located all over the world. As the world goes towards greener technologies for electricity and energy, Brookfield is well positioned to take advantage of that growing trend with its well-diversified portfolio.

The stock currently pays a dividend of 5.6% per year with distributions made every month, and payouts have increased by 5% this year as well. Brookfield saw strong sales growth in its most recent fiscal year with revenues rising by 50%. In the company's most recent quarter, it continued to build on that growth with sales increasing by 9% year over year.

The stock has a promising future, and with a diversified portfolio of assets, it has a great deal of flexibility.

Algonquin Power & Utilities Corp. ([TSX:AQN](#))([NYSE:AQN](#)) also operates a portfolio of assets across North America that includes wind, solar, hydroelectric, and thermal facilities. In three years, the company's sales have grown by nearly 60%, and it has also posted a more than sixfold increase in its bottom line during that time. In its most recent quarter, the company doubled its year-over-year revenue as it continues to show excellent growth.

Algonquin pays a dividend of ~4.4%, and the monthly payout has almost doubled in just five years. The stock has also provided strong returns for investors with the share price rising over 15% year to date and almost doubling in the past five years. Algonquin is showing terrific growth and could be a great long-term buy.

Northland Power Inc. ([TSX:NPI](#)) is an independent producer of clean and green power with projects in Canada and Europe. In its most recent fiscal year, the company posted just under \$1.1 billion in revenue, which is almost double the amount it recorded for 2013. Northland Power also showed a year-over-year sales increase of 83% in Q2, as the company shows no signs of slowing down.

Currently, the company pays its shareholders a monthly dividend that yields over 4.6% per year with payouts being consistent over the past five years. Although, year to date, the share price has not seen any increase, it has been able to provide stability with a loss of less than 1%.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:NPI (Northland Power Inc.)

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Author

djagielski

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