3 Top Dividend-Growth Stocks Yielding up to 5.4%

Description

Investing in dividend-growth stocks is one of the most powerful methods to build wealth over the long term. With this in mind, let's take a look at three that you could buy today and hold for decades.

Granite

Granite Real Estate Investment Trust (TSX:GRT.UN)(NYSE:GRP.U) is one of the largest owners and managers of industrial real estate in North America and Europe. As of September 30, it had a portfolio of 92 income-producing properties with approximately 30.2 million square feet of gross leasable area located across Canada, the United States, Germany, Austria, the Czech Republic, the Netherlands, Spain, the United Kingdom, and Poland.

Granite currently pays a monthly distribution of $0.227 per unit, representing $2.72 per share annually, which gives it a 5.4% yield.

When it comes to growing its distribution, Granite is one of the best in the real estate industry; 2017 marks the fifth consecutive year in which it has raised its annual distribution, and its 4.6% hike, which took effect this month, has it positioned for 2018 to mark the sixth consecutive year with an increase.

Canadian Tire

Canadian Tire Corporation Limited (TSX:CTC.A) is one of Canada's largest retailers with over 1,700 stores under its many banners, which include Canadian Tire, Sport Chek, Sport Experts, Atmosphere, Mark's, and PartSource. The company also owns an 85.5% effective interest in **CT Real Estate Investment Trust**, which owns and manages a portfolio of 325 properties as of September 30.

Canadian Tire currently pays a quarterly dividend of $0.90 per share, representing $3.60 per share annually, which gives it a 2.2% yield.

Like Granite, Canadian Tire has a reputation for dividend growth; 2017 marks the seventh consecutive year in which it has raised its annual dividend payment, and its 38.5% hike last month has it on track for 2018 to mark the eighth consecutive year with an increase. It's also important to note that the company has a target dividend-payout range of 30-40% of its prior year’s normalized earnings, so I think its very strong growth, including its targeted annual growth of 10% or more in fiscal years 2018-2020, will allow its streak of annual dividend increases to easily continue into the 2020s.

BCE

BCE Inc. (TSX:BCE)(NYSE:BCE) is Canada’s largest communications company with 21.99 million subscribers as of September 30. It provides “the broadest range of broadband communication services from Bell Canada, Bell Aliant, and Bell MTS to residential, business, and government customers.”

BCE currently pays a quarterly dividend of $0.7175 per share, representing $2.87 per share annually, giving it a 4.7% yield.

In terms of dividend growth, BCE outshines both Granite REIT and Canadian Tire, as 2017 marks the ninth consecutive year in which it has raised its annual dividend payment. It’s also important to note that the communications giant has a target dividend-payout range of 65-75% of its free cash flow, so I think its very strong growth, including its 20.1% year-over-year increase to $2.77 billion in the first nine months of 2017 and its projected 5-10% year-over-year growth in the full year of fiscal 2017, will allow its streak of annual dividend increases to continue in 2018 and beyond.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:BCE (BCE Inc.)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)
4. TSX:GRT.UN (Granite Real Estate Investment Trust)

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