

Get +5% Yields and +5% Dividend Growth From These 2 Stable Stocks

Description

Dips in share prices push up the yields of [safe dividend stocks](#), such as **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) and **Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NYSE:BPY).

With a meaningful +8% dip from its recent high, BCE stock now offers a big yield of 5.3%. And Brookfield Property now offers a juicy yield of 6% after its shares fell roughly 16% from their recent high.

Other than the decline of their share prices, their recent dividend hikes also contributed to their having competitive yields.

Recent dividend hikes

BCE and Brookfield Property both have a culture of growing their dividends.

BCE has increased its dividend for nine consecutive years. Its five-year dividend-growth rate is 5.3%, which aligns with its recent dividend hike of 5.2%. The company generates such stable earnings and free cash flow that it already declared all four of its dividends for the year.

BCE's first dividend of the year has a record date of March 15 and will be paid to registered shareholders on April 16. However, to get that dividend, investors need to be registered as owners of the stock before the ex-dividend date, which is usually two business days before the record date. So, if an investor buys BCE shares on March 13 or 14, they're not going to receive that dividend. In other words, investors should own the stock at the latest by March 12 to get that dividend.



[Brookfield Property](#) has increased its distribution for five consecutive years. Its three-year distribution-growth rate is 5.7%, but its recent distribution increase was higher — almost 6.8%, which is a good sign. Management aims to grow Brookfield Property's distribution by 5-8% per year.

The record date of Brookfield Property's first dividend of the year is February 28. So, investors should

own the stock by February 23 to get that distribution.

What you should note about the dividends

BCE pays an eligible dividend, which is favourably taxed in a taxable account.

Brookfield Property's distribution isn't entirely eligible. For example, in 2017, its distribution consisted of U.S. interests, non-U.S. interest, and non-U.S. dividend. From personal experience, I received my full distribution last year by holding the units in an RRSP account.

Which is the better buy?

At the recent quotation of ~\$56.60 per share, there's nearly 10.8% upside potential for BCE stock, according to **Thomson Reuters's** mean 12-month target of \$62.70 per share.

At US\$20.85 per unit, there's nearly 18% upside potential for Brookfield Property stock, according to Reuters's mean 12-month target of US\$24.60 per unit.

If you have no preference about the telecom or real estate sector, then Brookfield Property will probably deliver higher returns over the next few years; it looks to be better valued, offers a bigger yield, and offers potentially higher growth.

However, both stocks are better valued after the dip, and if they trade at similar valuations and grow their dividends by +5% per year in the future, investors buying today can expect long-term rates of returns of roughly 10%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:BPY.UN (Brookfield Property Partners)

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