TFSA Investors: 3 Cheap Dividend Stocks That Pay up to 10%

Description

Dividend stocks are a great way for investors to accumulate cash in both the short and long term, and those that are undervalued can also amplify your returns even further with strong capital appreciation along the way. Below are three stocks that are trading below their book values and that pay as high as 6.5%.

Crescent Point Energy Corp. (TSX:CPG)(NYSE:CPG) trades at a steep discount with its share price trading at a multiple of around 0.6 times its book value. The oil and gas stock has struggled mightily since the downturn in the industry, but year to date it has risen 4%, as signs indicate that the stock may have finally found some stability.

The company has reduced its dividend as a result of those difficult years, but it still yields a very respectable 3.6% payout for its shareholders. While the stock certainly does pose some risk for investors, with the industry well into recovery mode and as oil prices continue to rise, companies like Crescent Point may be in good position to take advantage of more bullish conditions.

In its most recent earnings, the company announced that it had reduced capital spending and that it was going to dispose of $225 million worth of assets in an effort to further pay down its debt. Crescent Point is making the right steps to strengthen its financials, and these decisions demonstrate good governance by the company's leadership.

Slate Office REIT (TSX:SOT.UN) is a great stock to invest in if you're bullish on the economy. As businesses perform better, we'll see more of a demand for offices as start-up companies look for space, while more established firms look for areas to expand into.

Year to date, the stock has declined 8%, and that has pushed its share price below book value as it trades at multiples less than its peers. In its most recent quarter, sales were up nearly 40%, and last year its top line was up 25%. Slate has been growing at a strong pace, and it could have tremendous upside over the long term.

The company currently pays its shareholders an amazing 10% yield, and although that may be high, Slate has generated positive free cash flow over the years, and its strong growth may very well make its high payout a non-issue. Even if the dividend were reduced, investors would still likely be earning a terrific yield.

Laurentian Bank of Canada (TSX:LB) could be a great deal for investors that aren't looking to invest in big-name stocks. Although Laurentian isn't one of the Big Five banks, it is still a solid financial institution that has grown steadily over the years, with profits doubling since 2015.

Laurentian currently pays its investors an impressive 5.6% dividend which has grown over the years. The company recently hiked its payouts, and it hasn't been uncommon for Laurentian to raise its dividend multiple times a year.

As a result of not being as popular as others in the industry, Laurentian trades at much more favourable multiples, with a price-to-earnings ratio of just eight and its share price below book value.

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