These 3 Canadian TFSA Stocks Pay +9% Dividend Yields

Description

Income investors and retirement fund investors take note: there are stocks on the TSX that pay dividends higher than 6%! Higher than 7%! Higher even than 8%!

While it takes some digging around, TFSA and RRSP investors can find yields on the TSX that top 9%. We've found three of them for you. Read on to see which ones to buy and hold for long-term passive income.

Labrador Iron Ore Royalty Corp. (TSX:LIF)

Through its subsidiary, Hollinger-Hanna Ltd., Labrador Iron Ore owns a 15.10% interest in Iron Ore Company of Canada, which operates a major iron mine near Labrador City, Newfoundland and Labrador. It's offering a dividend yield of 9.26% that's going to dip to a still-respectable 8.62% next year.

In terms of future cash flow, it's overvalued by more than double. It's got a low P/E of 10.3 times earnings, though, beating both the TSX and its industry norm.

Slate Office REIT (TSX:SOT.UN) is an open-ended REIT. If you're into your real estate investment trusts, you may well have come across Slate Office before as one of the most lucrative stocks in that field. A yield of 9.87% is the kind of passive income many new investors come to the TSX looking for, but few find.

Unlike the other two stocks mentioned here, Slate Office isn't set to lower its dividend next year. It's also discounted by over 50% against its future cash flow value, both of which make Slate Office a very tempting stock indeed. Throw in a projected 6.5% annual growth in earnings and you have a moderate growth stock to boot.

Gluskin Sheff + Associates Inc. (TSX:GS) is a publicly owned financial assets manager. It's also one of the highest-paying dividend stocks on the TSX. Is it a buy? As with the previous two stocks, it's wise to look into the fundamentals.

Let's start with value. Gluskin Sheff's cash flow data is not available, so it's impossible to calculate its value that way. However, we can see that its P/E is lower than the TSX average at 13.3 times earnings. Its PEG is low, too, at 0.7 times growth. Looking good so far.

However, shares are trading at 4.3 times book value, making Gluskin Sheff good on growth but perhaps less so on value. Mind you, it's a very healthy stock with zero debt, and with a dividend yield of 9.64% this year and 6.52% next year, you can call this a growth stock worth buying. How much growth exactly? Gluskin Sheff is expecting a very respectable 20% annual rise in earnings.

The bottom line

All three have great-looking multiples, so if you're interested in any or all of them, take a look under the bonnet and dig around. Labrador Iron Ore has a great balance sheet and a sturdy track record. While its dividend yield is set to dip next year, it's still a great income stock.

Meanwhile, Slate Office is undervalued and likely won't see a dip in its dividend, and Gluskin Sheff pairs growth potential with a meaty dividend that will still look tasty after it's been cut. All in all, these three stocks are ripe for stashing in your TFSA, RRSP, or RRIF for superior passive income through the years.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. TSX:LIF (Labrador Iron Ore Royalty Corporation)
2. TSX:RPR.UN (Ravelin Properties REIT)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

Date
2025/08/18
Date Created
2018/07/10
Author
vhetherington