

Boost Your Income With These 2 Big Dividend Stocks

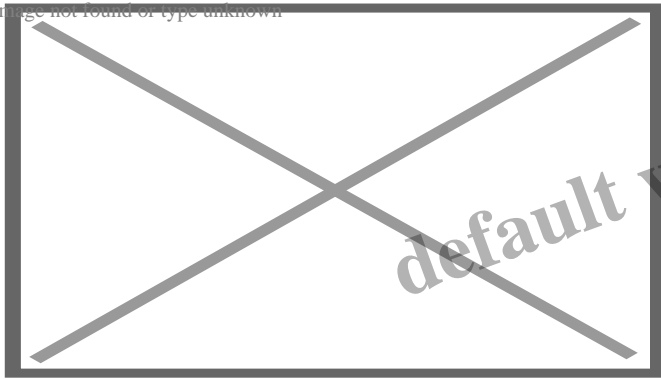
Description

The average U.S. market return is about 10%, while the average Canadian market return tends to be lower. If investors can get big dividend yields from their investments, they'll only need to make up a small portion of returns from growth or price appreciation to get that 10% return.

Dividends can be more predictable than price appreciation. Investors just have to make sure the dividends are sustainable. In a diversified dividend-growth portfolio, even if some stock holdings do cut their dividends, the overall portfolio income should still increase over time.

Here are two big-yield stocks that could offer some substantial price appreciation over time if they continue increasing their dividends.

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AltaGas Ltd. ([TSX:ALA](#)) offers a 7.75% yield at the recent quotation of about \$28.20 per share. The company recently closed the acquisition of WGL Holdings, which management believes is a great addition to the company.

AltaGas now has a presence in more than 30 states and provinces and about \$6 billion in growth opportunities, while its enterprise value is about \$17 billion.

Management estimates that about 80% of its 2019 cash flow will come from regulated gas distribution utilities or midstream and power assets that are underpinned by medium- to long-term contracts.

The combination of AltaGas and WGL is expected to help increase earnings per share by 8-10% and normalized funds from operations per share by 15-20% on average through 2021. This should lead to dividend growth of 8-10% per year from 2019 through 2021.

If these growth estimates materialize, today's shareholders can pocket a juicy dividend yield, while enjoying price appreciation of approximately 8-10% for an estimated total return of roughly 16-18% per year for the next couple of years.

Brookfield Property Partners LP. ([TSX:BPY.UN](#))(NASDAQ:BPY) is [a rare opportunity](#) today for income investors looking for exposure to commercial real estate assets.

The stock has declined about 17% from a high, and it's a good time to buy the stock to boost your income. The stock is discounted and offers an attractive 6.5% distribution yield at the recent quotation of about \$25.50 per share.

Brookfield Property owns, operates, and develops a diversified portfolio of real estate assets, including a core office and retail portfolio, and opportunistic investments. It aims for long-term returns on equity of 12-15% and distribution growth of 5-8% per year.

Buying the stock today can lead to an estimated total return of roughly 11-15% per year without accounting for share price appreciation to its normal valuation.

Investor takeaway

Consider AltaGas and Brookfield Property to [boost your income](#) today. Investors should consider holding Brookfield Property units in an RRSP or RRIF, because much of its distribution tends to be sourced from the U.S.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:BPY.UN (Brookfield Property Partners)

PARTNER-FEEDS

1. Msn
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