



## 3 Canadian Dividend Stocks Yielding Over 6%

### Description

In this low interest rate environment, [dividend stocks](#) remain essential to investors looking to supplement their employment income and for investors looking for sufficient retirement income to fund their golden years.

We've been quite lucky in this respect, as we have had a good number of pretty safe and secure stocks providing generous dividend yields.

Here are three dividend stocks yielding over 6% today.

### Freehold Royalties Ltd. ([TSX:FRU](#))

As a dividend stock in the [energy sector](#), Freehold is as low risk an energy stock as you can get. This company collects royalty streams (99% of its revenue) from a wide array of Canadian oil and gas producers located in various resource basins with none of the associated costs.

Trading at \$8.44 at the time of writing, or 70% lower than five years ago, the decimation in the Canadian oil and gas industry is evident even in one of the "lowest risk" Canadian energy stocks. But if you're focused on yield and dividends, Freehold is an attractive option for you.

Currently yielding 7.46%, this stock has provided and continues to provide its shareholders with solid dividend income. It's a dividend that's easily covered by cash flows, with a 65% payout ratio at current prices.

### Inter Pipeline Ltd. ([TSX:IPL](#))

Inter Pipeline currently has a dividend yield of 8.49%, with a cash flow payout ratio of 82.2% (up from last year's payout ratio of 63%). Its stock price has performed pretty dismally in the last few years, and continues to do so today.

But herein lies the opportunity. Inter Pipeline is a secure, investment grade utility company, with a strong history of dividend growth and stability, with 14 years of dividend increases and a five-year CAGR of 9%.

The company's big investment in its Heartland Petrochemical complex has put a damper on results recently, but cash flows will ramp up nicely upon its late 2021 start-up. Notably, this project remains on time and on budget.

For investors who are willing to sit back and calmly accept generous dividend payments, Inter Pipeline is a strong buy on weakness right now. In a few years, I think we will see that this stock was a steal at these prices.

## NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#))

Northwest is currently yielding a healthy 6.54%, and as this REIT continues to grow, investors are seeing capital gains on their investments on top of this generous yield. Year-to-date, the stock is up 26%, and I see more upside going forward.

Because Northwest's high-quality global, diversified portfolio of healthcare real estate properties located throughout Canada, Brazil, Germany, Australia, and New Zealand, gives it real exposure to the biggest demographic shift that much of the developed world is facing, the aging population.

In its most recent quarter, the first quarter of 2019, Northwest reported a 4.2% increase in revenue, an 8% increase in funds from operations and strong occupancy of 96.8% with the international occupancy holding stable at 98%. While debt levels at Northwest are high, management is working on slowly reducing leverage.

The focus right now is on developing the same type of leadership position they have in Canada in international markets such as Australia. Right now, approximately 30% of Northwest's assets are in Canada, with this weighting expected to continue to decline as growth in Australia and Europe continues. This geographical breadth and diversification provides clear benefits.

I see this high-yield dividend stock as a great addition to your portfolio.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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