



3 Top Dividend Stocks Yielding 6% or More to Buy for Your TFSA Today

Description

Historically low interest rates coupled with the growing likelihood that the Bank of Canada will cut the headline rate once again have caused the yields of traditional income producing investments such as bonds to fall to unlivable levels, triggering a hunt for yield among investors building a nest egg for retirement as they seek to create a steadily growing recurring passive income stream to fund their lifestyle.

One of the best ways of doing this while accessing the power of compounding is by investing in high-quality companies that own hard assets such as property and infrastructure, possess wide economic moats, pay a regularly growing dividend and hold them in your tax-free savings account (TFSA). Here are three stocks that meet that criteria and are yielding over 6%, roughly triple the five-year bond yield and double the return from a guaranteed investment certificate (GIC).

Diversified global REIT

Brookfield Property Partners (TSX:BPY)(NASDAQ:BPY) has hiked its distribution for the last six years to be [yielding a sustainable](#) and very juicy 7%, making it a highly attractive investment for retirees. It is essentially the property investment arm of alternate asset manager **Brookfield Asset Management** and owns a globally diversified portfolio of flagship office and retail properties in major cities, including Brookfield Place in Toronto and London's Canary Wharf.

Brookfield Property Partners has grown its fund from operations (FFO) at an impressive clip with a compound annual growth rate (CAGR) of 8%, while its distribution has expanded by 6% since 2014. This trend is destined to continue because of Brookfield Property's capital recycling initiatives, property project pipeline and ongoing opportunistic acquisitions.

The trust is trading at discount of 29% to the analysts' average net-asset-value (NAV) of US\$27 per unit, thereby underscoring the considerable potential for capital appreciation, making now the time to buy Brookfield Property Partners.

Expand into commercial property

Slate Office REIT (TSX:SOT.UN) recently cut its distribution as management moves to strengthen its balance sheet and [unlock value](#) through a series of growth initiatives. Even after that cut, the REIT still yields a very attractive 6.6%, which when coupled with the strategic plan gaining traction, makes it an appealing addition to any income-focused portfolio.

Management continues to make solid progress with repositioning Slate Office for growth and delivering value for investors. At the start of June 2019, the REIT had sold two Manitoba properties for \$21 million, the proceeds of which will be used to further reduce debt and fund the ongoing repurchase of units.

Despite those efforts, however, Slate Office is trading at a 29% discount to its NAV, highlighting the considerable upside ahead for investors and making now the time to buy.

Globally diversified clean energy utility

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) is one of the largest pure play globally diversified publicly listed renewable energy utilities with 17,400 megawatts of installed capacity across 15 countries. The partnership has hiked its distribution for the last nine years straight to be yielding a very juicy 6%.

Brookfield Renewable reported some solid [first-quarter 2019](#) numbers, including a 17% year-over-year increase in funds from operations (FFO) and a massive five-times increase in net income on the back of an 8% increase in Brookfield Renewable's share of total electricity generated.

The partnership completed a series of investments during the quarter, including \$750 million in TransAlta and a \$70 million deal to acquire two wind farms in India, the world's fastest-growing major economy. Coupled with a solid pipeline of projects under development and Brookfield Renewable's strategy of capital recycling, these deals will support the planned annual 5% to 9% dividend increase.

Foolish takeaway

Each stock provides investors with the opportunity to enjoy a yield of 6% or more coupled with solid capital appreciation. For these reasons, they are ideal buy and hold investments for a TFSA because of the investment vehicles tax effective nature.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

3. TSX:BPY.UN (Brookfield Property Partners)
4. TSX:RPR.UN (Ravelin Properties REIT)

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