TFSA Investors: 3 Dividend Stocks to Hold Forever and Retire

Description

Dividend investing remains a popular trend. Dividend stocks supplement your monthly income and good dividend stocks are great sources of passive income. However, just because a stock pays out dividends regularly doesn't make it a good dividend stock. You need to know that the company is going to continue to pay dividends through good times and bad.

I have identified three stocks that have increased their dividend payouts for at least 12 consecutive years and have a dividend yield of at least 4%. Why 12? Because the last recession hit us in 2008 and everyone seems to think another one is just around the corner.

Growth ahead

Plaza Retail REIT (TSX:PLZ.UN), **TC Energy** (TSX:TRP), and **Canadian Utilities** all have increased dividend payouts for at least 13 years and it seems like these companies will continue to grow.

First up is Plaza Retail, one of Canada's largest owners and operators of real estate. Plaza is an open-ended real estate investment trust and a leading retail property owner and developer, focused on Ontario, Quebec, and Atlantic Canada. Plaza's portfolio includes interests in 277 properties totaling approximately 8.4 million square feet across Canada and additional lands held for development.

Plaza claims 96% occupancy. The company primarily leases to national retailers (almost 91% of their gross rents come from companies like **Shoppers Drug Mart**, KFC, **Dollarama**, Sobeys, Staples, and **Canadian Tire,** with a focus in the consumer staples market segment – a segment that tends to withstand broader economic conditions and other retail trends. Plaza's forward dividend yield is 6.26%, and it has increased dividends for 13 consecutive years.

Total property rental revenue for the second quarter of 2019 was $26.37 million compared to $26.26 million in the same period in 2018. NOI (net operating income) for Plaza came in at $16.4 million, up from $16.1 million in 2018.

TC Energy and Canadian Utilities have strong fundamentals

TC Energy, one of North America's largest energy infrastructure companies, suffered a blip after its third-quarter results reported a 20% profit loss thanks to asset sales. It didn't help that its Keystone pipeline suffered a leak that could strengthen anti-hydrocarbon calls from environmentalists. However, this is one of the most reliable companies on the street with 18 years of continuous dividend increases.

A dividend yield of 4.5% is nothing to be scoffed at. The fact that six out of eight analysts recommend a 'Buy' on this stock (the remaining two recommend a 'Hold') show how much the stock is valued. TC Energy has made a lot of investors happy over the decades with its passive income and high growth rate. There's no reason to believe it won't continue to do so.

Analysts expect TC Energy's stock to reach $70.72 by November 2020 which indicates an upside potential of 6.5% from the current price.

Canadian Utilities is a darling of the stock markets. Why shouldn't it be? It has increased its dividend payouts for 47 consecutive years. That's more than the lifespan of some companies! As Fool contributor Rahim Bhayani reported, a $5,000 investment in this stock 10 years ago would give you a return of $28,000 today. A forward dividend yield of 4.4% ensures that your income is supplemented with CU dividends every year, and that is almost a guarantee.

When you are planning for retirement, you want to make sure there are no nasty surprises in store. These three stocks help you achieve your goal.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)
2. TSX:PLZ.UN (Plaza Retail REIT)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date
2025/08/26

Date Created
2019/11/07
Author
araghunath