Income Investors: Canada’s 2 Biggest Dividends That Are Not Energy Stocks

Description

I screened hundreds of Canadian stocks and picked out the ones with the biggest dividends that aren’t energy stocks for those investors who are uncomfortable with buying these companies that offer yields as high as 13%.

Brookfield Property yields 6.9%

Brookfield Property Partners (TSX:BPY.UN)(NASDAQ:BPY) pays an excellent cash distribution yield of 6.9% that’s backed by a globally diversified portfolio of real estate assets.

BPY benefits from being an owner, investor, operator, and developer across a range of real estate assets, including office, retail, multifamily, industrial, hospitality, triple net lease, self-storage, student housing, and manufactured housing assets. It can invest in the industries and geographies that offer the best risk-adjusted returns.

For example, the depressed retail real estate landscape allowed BPY to buy the rest of GGP, which serves as its core retail real estate exposure in quality malls across the United States, at an attractive valuation back in 2018.

As a value investor, BPY maintains an opportunistic portfolio, in which it aims to take outsized profits in mature and value-added assets, and has historically delivered double-digit returns successfully.

Investors can count on the company’s 6.9% yield, which is projected to increase by 5-8% per year.

H&R REIT yields 6.4%

The recent dip in **H&R REIT** (TSX:HR.UN) stock is a good opportunity to give the diversified REIT a closer look. The company has paid stable monthly cash distributions for about nine years.

The correction in the stock has pushed H&R REIT’s yield to 6.4%, which is supported by a recent payout ratio of roughly 79%. The payout ratio seems high but is typical for a REIT.

The REIT is comprised of office, retail, industrial, and residential assets. Its year-to-date results marginally improved year over year with modestly higher funds from operations per unit and a slightly lower payout ratio. Other than for newly acquired assets, the committed occupancy across its diversified portfolio is high.

H&R REIT's expansion into the U.S. was the right choice as its U.S. portfolio has shown stronger organic growth than its Canadian portfolio so far. It currently has an active development pipeline in the U.S., consisting of five residential and one mixed-use development that should help drive growth.

Moreover, H&R REIT trades at a meaningful 17% discount from its recent net asset value of $25.81. So, price appreciation is also in the cards.

Investor takeaway

Consider buying big-dividend payers, Brookfield Property and H&R REIT, to generate stable and juicy income for your dividend portfolio. You can get an average yield of 6.6% from them today!

Stay hungry. Stay Foolish.

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Date
2025/08/24
Date Created
2019/11/30

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