



3 Must-Have Dividend Stocks to Buy in December for Value Investors

Description

It can be a frustrating time to be a value investor at the moment, with all the good stocks being bid up to levels that don't represent good value for the bargain-basement investor.

But for the astute investors who can tune out the day-to-day headlines and noise, a lot of money is yet to be made in the stock market, especially when investors misunderstand the value of a stock.

I have three perfect examples of stocks that are misunderstood and therefore trading below their net asset values (NAV), despite being rock-solid, [long-term dividend payers](#).

Global property king

Let's start with a firm favourite of mine: **Brookfield Property Partners** ([TSX:BPY.UN](#))(NASDAQ:BPY). I have written quite a bit about how this stock is simply the best real estate stock in the world and has access to top properties in the best cities in the world.

The best part of owning Brookfield is that its NAV is around \$28, while the stock is currently changing hands at around \$25 per share.

The company is also putting its money where its mouth is and repurchasing shares in the open market, because it believes that repurchasing these undervalued shares is one of the best uses of its balance sheet, and I couldn't agree more.

Brookfield also knows how to keep its income-oriented investors happy with an industry-leading 7% dividend yield that is set to grow by at least 3-5% every year for the foreseeable future.

North American real estate focus

Now, we'll move on to a slightly lesser-known but equally powerful name in the real estate world: **Tricon Capital Group** ([TSX:TCN](#)). Tricon is a fantastic real estate investor that may not have a huge

yield, but it's growing its dividend at a fast pace and because the company is not well known to most retail investors.

Tricon operates in the residential real estate segment, which is absolutely necessary, regardless of the economic climate. Tricon specializes in rental housing for the family segment, which is one of the fastest-growing segments in North America and just about the best type of business for a market downturn, because everyone needs a roof no matter what.

The company has proven that it knows how to execute its strategy with impressive growth in book value per share from a modest \$3.38 per share in 2012 to a monster \$10.77 per share as of October 2019. This represents a 20% annualized growth since 2012, which is truly astounding and worthy of investor attention.

Shares are currently trading at around \$11, which is just a touch above book value, representing tremendous value. While the dividend yield is a modest 2.5%, the dividend growth going forward will more than make up for that.

Canadian local focus

We started this article by looking at the most global real estate play and we will end by discussing the most local of the three investments. The stock is a retail-focused REIT that has steadily been delivering double-digit returns to shareholders.

Plaza Retail REIT ([TSX:PLZ.UN](https://www.scribd.com/document/444444444/TSX:PLZ.UN)) is unique in that it plays in the strip mall and specializes in owning non-trophy assets that the big players typically don't look at but are profitable if developed in the right way. The company takes these run-down properties and spruces them up significantly.

Once the properties are marketable, Plaza then gets higher-quality, stable tenants into long-term leases, providing greater rent but also adding more permanent value to the real estate.

Plaza pays a beautiful \$0.28 annual distribution on a monthly basis, which I love, because the sooner the company pays the dividend, the sooner I can reinvest, and the sooner it all compounds.

Plaza also has a growing dividend trend, and the growth rate has clocked it at a top-quartile rate of 8% annual dividend increase for the last 16 years. The yield currently stands at an industry-leading 5.91%, which is significantly more than the REIT average in Canada.

Investor takeaway

As a smart investor, I am keeping a close eye on all three and have no problem accumulating shares at current levels to start December off on the right foot and set myself up for [dependable passive income in 2020](#).

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BPY.UN (Brookfield Property Partners)
2. TSX:PLZ.UN (Plaza Retail REIT)
3. TSX:TCN (Tricon Residential Inc.)

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