TFSA Investors: 3 Dividend Stocks With +5% Yields to Buy in 2020!

Description

Are you an income-focused investor looking for high yield in 2020?

If so, you're going to need to look for it.

While the TSX index is still one of the be best market indices for income, the past year's rising stock prices have made huge yields harder to find. Canadian banks and utilities still abound with stocks yielding around 4%, but those coveted +5% yields are not as common as they once were. Nevertheless, they can still be found. As you're about to see, there are still a few TSX equities that offer yields in excess of 5%. While most of them have justifiably beaten-down share prices or unsustainable payout ratios, not all of them do, and the ones that don't can be great buys. So, without further ado, here are three dividend stocks with yields greater than 5% to buy in 2020.

Enbridge

Enbridge is Canada's largest pipeline company, shipping oil and LNG to customers all across North America. The company has a solid track record of growth and considerable dividend increases: between 2015 and 2018, the company grew its earnings from $250 million to $2.8 billion and raised its payout each year. ENB's five-year dividend-growth rate is 17.5%, which is among the best of any stock on the TSX.

If you buy Enbridge today, you'll get a dividend yield around 6%. That's incredible as it is, but the amazing part is, it could go higher. Enbridge's historical growth has been great, and its Line III and Line V infrastructure projects could drive more growth in the future. It's definitely one to keep an eye on.

TransAlta Renewables

TransAlta Renewables is a utility company that generates power from renewable sources like solar, wind, and hydro. It has the capacity to generate 2,407 megawatts of power a year, most of which comes from wind and hydro. Their solar investments are less significant, making up 1% of total power generated.

Over the years, TransAlta has delivered steady results. It's one of the least-leveraged utilities out there, which could prove advantageous if interest rates rise. TransAlta has a 5.5% yield as of this writing, which is a solid yield by any standard. One thing to note about this stock is that its payout hasn't increased over time, having remained at $0.078 per month since 2016, so don't expect the yield on cost to grow like it might with ENB.

Northwest Healthcare Properties

Northwest Healthcare Properties REIT is a healthcare-focused REIT that mainly invests in healthcare office space. Healthcare is a very stable industry, providing reliable income for Northwest. This shows in the REIT's occupancy rates: it's 96% on the Canadian portfolio and 98% on the international portfolio.

REITs in general are facing headwinds right now owing to slowing retail sales and the rise of e-commerce. NWH.UN, as a REIT that doesn't focus on consumer businesses, is insulated from those trends. It's a solid income play, with a distribution yield of 6.5% as of this writing.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:RNW (TransAlta Renewables)

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