TFSA Dividend Tips: 3 Ways to Nail Down As Much As 5% (While Giving $0 to the CRA)

Description

Hello, Fools! I'm back to highlight three high-yield dividend stocks. As a reminder, I do this because high-yield dividend stocks provide a healthy income stream in both good and bad markets, usually come from stable industries, and tend to outperform the market over the long run.

The three stocks below offer an average dividend yield of 5.0%. So if you're looking to boost your tax-free income in 2020, these three stocks are a good place to start searching.

Without further ado, let's get to it.

Powerful choice

Leading off our list is renewable energy provider **Northland Power** (TSX:NPI), which currently offers a healthy dividend yield of 4.0%.

Northland's stable payout continues to be supported by solid scale, highly regulated operating regions, and attractive long-term tailwinds. In the most recent quarter, free cash flow per share improved 14% as revenue increased 8% to $378.4 million.

Moreover, Northland completed the installation and commissioning of 31 turbines at its key Deutsche Bucht project.

"Northland continued to deliver healthy, sustainable results in the quarter with a 14% increase in adjusted EBITDA and free cash flow per share over last year," said CEO Mike Crawley. "Most significantly, we acquired EBSA, a high-quality regulated Colombian utility."

Northland shares are up about 25% over the past year.

Bankable choice

With a dividend yield of 4.8%, financial services gorilla **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) is the next top income play on our list.

Scotiabank's hefty dividend payout is underpinned by massive scale advantages, a highly regulated banking environment, and an improving business mix. In the most recent quarter, for example, EPS of $1.82 met expectations as revenue improved 7% to $8 billion.

Looking ahead, Scotia expects its current-quarter earnings to reflect a $175 million net benefit from certain items.

"In 2019, we made significant progress against our strategic objectives by sharpening our geographic footprint and improving our business mix," said CEO Brian Porter. "We've also invested heavily in our people, processes, and technology to better position the Bank for success over the long-term."

Scotia shares are flat over the past year.

Heading north

Rounding out our list is healthcare real estate company **NorthWest Healthcare Properties REIT** (TSX:NWH.UN), which currently offers a juicy dividend yield of 6.3%.

Northwest's fat payout continues to be supported by a recession-proof portfolio (hospitals and medical office buildings), overseas diversification, and improving fundamentals. In the most recent quarter, NorthWest's revenue increased 5% to $91.1 million on a strong occupancy rate of 97.1%.

Meanwhile, funds from operations — a key cash flow metric — clocked in at $26.5 million.

"[T]he REIT continues to see significant opportunities to capitalize on its differentiated healthcare real estate platform, making substantial progress towards attracting an additional $3.0 billion of institutional capital commitments and identifying a significant pipeline of attractive investment opportunities," said CEO Paul Lana.

NorthWest is up about 19% over the past year.

The bottom line

There you have it, Fools: three top high-yield stocks worth checking out.

As always, don't view them as formal recommendations. Instead, look at them as a starting point for more research. A dividend cut (or halt) can be especially painful, so you'll still need to do plenty of due diligence.

Fool on.

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1. Dividend Stocks

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2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:NPI (Northland Power Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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