3 High-Yield Dividend Stocks Yielding Up to 9.3%

Description

Passive income is an attractive way of growing your capital, putting your money to work and earning a consistent stream of payments that — if you can invest well enough — should be growing over time.

Obviously, in addition to growth, investors want the highest yield possible, as it's essentially a large part of the returns you are going to earn owning that investment.

The thing with high-yield dividend stocks though, is that generally the higher a dividend yield is, the more risk there is associated with that stock.

Sometimes when investors sell stocks off irrationally, dividend yields increase, while risk levels stay the same, allowing the new higher yield to outweigh the potential risk of the investment and offer investors a major opportunity.

Here are three top dividend-paying stocks yielding more than 6%, 7% and 9%, respectively.

6%

NorthWest Healthcare Properties REIT (TSX:NWH.UN) is a real estate investment trust that owns health care properties around the world.

The company is an attractive investment in current market conditions, as it operates in two defensive industries (health care and real estate), in addition to being a high-quality long-term investment that's positioned well for major growth in the industry as the global population continues to age.

The company's assets consist of properties such as hospitals and medical office buildings. The portfolio is extremely strong, with an occupancy rate above 97% and a weighted average lease expiry of more than 13 years.

It continues to find new investments to expand the fund, most recently purchasing six high-quality hospitals in the United Kingdom.

The stock is extremely attractive today, and its dividend is yielding upwards of 6.3%.

7%

Diversified Royalty Corp (TSX:DIV) is an investment company that acquires royalty deals, assembling a portfolio of income-generating deals that it uses to fund its major dividend.

The company has royalty deals with major Canadian businesses such as Mr. Lube and Sutton, a major national real estate company.

The growing number of royalty partners that Diversified Royalty Corp has built up for itself is paramount in order to reduce risk so the company can focus on continuing to find new deals, growing the payout, and diversifying the company even further.

It hasn't raised the dividend over the last few years, as it had been saving money to purchase a new royalty stream and expand its operations.

Now that it's completed those tasks, investors can expect to see increases to its dividend, which it already indicated upon the closing of its latest transaction.

The stock is looking extremely attractive for the future and possesses a dividend yield of more than 7.6% today.

9%

Alaris Royalty Corp (TSX:AD) has a business that's somewhat similar to Diversified Royalty Corp, but also has a lot of differences.

Diversified Royalty only has deals with a small number of companies, and only does strictly top-line royalty deals.

Alaris is much more flexible and can cater to its client's needs while still exposing itself to upside through equity-like exposure, albeit making deals that help the businesses it which it invests to thrive.

Some deals are meant to be owned long term, while others result in an early exit from the company, sometimes with returns far in excess of what the company was expecting on initial investment.

The stock has been sold off the last few days over fears about the reliability of its investment portfolio, which is usually the case during these short-term market corrections.

This is a major overreaction however — so much so that Alaris' dividend now yields roughly 9.3%, an opportunity you can't pass up.

Bottom line

In general, it's always a good idea to remember that higher yield dividend stocks most likely have more risk associated with them.

However, this is not always the case, and when you find a stock with a yield well in excess of the risk that is present, then you've found yourself a winner.

A certain yield should never compel you to buy or avoid a stock on its own, so make sure you do the proper research and understand the risks. That way you can adequately place a value on the company and understand whether an investment is worth it.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)
2. TSX:DIV (Diversified Royalty Corp.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date
2025/07/21
Date Created
2020/03/04
Author
danieldacosta