



Earn \$1,155 in Dividend Income That the CRA Can't Touch

Description

Hello there, Fools. I'm back to highlight three attractive dividend growth stocks. As a quick reminder, I do this because companies with consistently growing dividends

- can provide an [ever-increasing income stream](#); and
- tend to [outperform over the long haul](#).

The three stocks below offer an average dividend yield of 7.7%. If you spread them out evenly in a modest \$15K Tax-Free Savings Account (TFSA) account, the group will provide you with an annual tax-free income stream of \$1,155; on top all the appreciation you could earn.

Let's get to it.

Top choice

Leading off our list is retail real estate company **Choice Properties REIT** ([TSX:CHP.UN](#)), which has steadily grown its dividend by 14% over the past five years.

Choice shares have held up well during the pandemic-related crash, suggesting that it remains a solid way to play defense. Specifically, Choice's long-term dividends should continue to be supported by a high-quality portfolio, steady cash flows, and a prudent M&A strategy.

In the most recent quarter, adjusted funds from operations (AFFO) clocked in at \$152 million. More important, Choice's AFFO payout ratio stood at a still-solid 85%.

"The COVID-19 pandemic did not have a material impact on our financial results for the quarter, but our team was busy working on a wide range of measures to help ensure the health and well-being of our employees and tenants," said President and CEO Rael Diamond.

Choice shares currently offer a rather tempting dividend yield of 6.1%.

Bank shot

Next up, we have financial services specialist **Laurentian Bank** ([TSX:LB](#)), which has grown its dividend payout by 22% over the past five years.

Laurentian shares have yet to recover after plunging in March, but now could be an opportune time to jump in. Specifically, the bank's decent scale (revenue recently exceeded \$1 billion), strong credit quality, and a rock-solid financial position continue to underpin its long-term investment case.

Although both revenue and earnings were disappointing in Q1, Laurentian's Business Services segment continued to grow, while its personal loan portfolio showed further stabilization. Moreover, the company's Common Equity Tier 1 ratio stood at a still-respectable 9.0%.

"We have completed a substantial part of the transformation and we are beginning to see real progress in foundational work, growth in our customer base and concrete advancements towards improving customer experience," said President and CEO François Desjardins.

Laurentian shares currently offer a tempting dividend yield of 9.5%.

Read the tape

With dividend growth of 39% over the past five years, packaging company **Intertape Polymer** ([TSX:ITP](#)) rounds out our list this week.

Intertape shares still remain off about 40% from their 52-week highs, providing Fools with a possible buying opportunity. After all, the company continues to leverage its solid international reach, consistent cash flows, and leadership position in the packaging space to deliver solid results for shareholders.

In the most recent quarter, for example, EPS of \$0.24 topped expectations by \$0.07 while revenue of \$279 million also beat estimates.

"From our perspective, we believe the business is extremely well positioned to weather the downturn," said President and CEO Greg Yull. "Most importantly, the commitment of our employees to continue to perform in the face of the pandemic we believe demonstrates that they recognize the essential nature of their work as well as the trust in our team to protect their health and safety."

Intertape currently offers a healthy dividend yield of 7.4%.

The bottom line

There you have it, Fools: three attractive dividend growth stocks worth checking out.

As always, they aren't formal recommendations. They're simply a starting point for more research. The snapping of a dividend-growth streak can be particularly painful, so plenty of due diligence is still required.

Fool on.

CATEGORY

1. Dividend Stocks

TICKERS GLOBAL

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
2. TSX:ITP (Intertape Polymer Group)
3. TSX:LB (Laurentian Bank of Canada)

PARTNER-FEEDS

1. Business Insider
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