3 Stocks Under $30 That Can Deliver 8% or More in Dividends

Description

Dividend stocks tend to become more attractive during times of uncertainty. Any company that can sustain its payout through a crisis deserves closer attention. With that in mind, here are the top three dividend stocks trading under $30 that offer yields of 8% or more.

Property dividend stock

Commercial landlord **Brookfield Property Partners** (TSX:BPY)(NASDAQ:BPY) is currently trading under $11. The stock has lost nearly half of its value since the start of this crisis in March. That's pushed the dividend yield up to 12%.

Brookfield is a tricky dividend stock. I can't recommend it directly without mentioning some caveats. The company's underlying portfolio of commercial real estate is vulnerable. Retail shop owners and corporate tenants have struggled to pay rent these past few months. That's likely to cause a cash flow issue for landlords like Brookfield.

If the pain persists, corporate properties across the world may have to be marked down. Effectively, Brookfield's underlying book value and dividend per share may be lower by 2021. However, even if this dividend stock offers half of its original payout, the yield would be 6% at current prices. That makes it one of the most lucrative dividend stocks on the market.

Airline dividend stock

Airline stocks have been in the limelight since this crisis erupted. Warren Buffett cashed out, while retail investors ploughed money into airline stocks. However, I believe **Exchange Income** (TSX:EIF) may have cornered a more lucrative segment of the market.

The Winnipeg-based firm is a diversified holding company that invests or acquires firms in the aerospace, aviation services and equipment, and manufacturing industries. In other words, it's a service provider to major airlines. That's a relatively asset-light and relatively more secure business model in the current environment.

Currently trading at $28, this dividend stock offers a 8.2% yield. The stock price is down 37% year to date. That's better than most airline companies. It's also trading at an attractive 32% premium to book value and 11 times forward earnings per share. EIF is a bargain dividend stock that deserves a spot on your list.

Senior care dividend stock

Senior care facilities are in a precarious position. I believe the costs of operating these facilities could rise, as landlords try to keep their clients safe from the pandemic. These added costs and heightened risks have put downward pressure on stocks such as **Extendicare** (TSX:EXE).

The dividend stock is down from $8.5 to $5.8 since the start of 2020. However, the company has managed to sustain its payout. The dividend yield is 8.3% at its current market price. That makes it one of the most lucrative real estate investment trusts in Canada.

Fellow Fool Ambrose O'Callaghan believes it's a top pick for retirees seeking stable income. The company's top and bottom lines are both steadily expanding, despite the crisis. That makes the 8.2% dividend stock more robust than it might appear. Add this one to your contrarian watch list.

Bottom line

All of the dividend stocks on this list face above-average risks for the rest of the year. However, that's precisely what makes them so lucrative. Contrarian investors should take a look under the hood to see if these are worth investing in.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BPY.UN (Brookfield Property Partners)
2. TSX:EIF (Exchange Income Corporation)
3. TSX:EXE (Extendicare Inc.)

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Date
2025/08/22
Date Created
2020/06/19
Author
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