TFSA Investors: 3 High-Yielding Dividend Stocks Worth Buying Right Now

Description

The TFSA (Tax-Free Savings Account) is an excellent investment vehicle, which allows Canadian investors to earn tax-free returns on a specified amount called the contribution room. For 2021, the CRA has set the contribution room of $6,000, with its cumulative contribution room standing at $75,500.

Meanwhile, if an investor moves some amount from the TFSA, then his/her contribution room increases by an equivalent amount. However, in the case of capital erosion, the contribution room can sink. So, investors should be careful while investing through a TFSA. The Canadian equity markets are trading close to their all-time highs, despite the weak economic outlook. So, amid the uncertain outlook, I believe adding high-yielding safe dividend stocks to your TFSA would be a good option, as dividend stocks generally outperform non-dividend-paying stocks during an economic downturn.

In this article, we will look at three high-yielding dividend stocks worth adding to your TFSA.

NorthWest Healthcare Properties REIT

NorthWest Healthcare Properties REIT (TSX:NWH.UN) invests in healthcare properties across Canada, Brazil, Europe, Australia, and New Zealand. Thanks to its defensive portfolio of assets, the company enjoys high occupancy and collection rate, despite the pandemic's impact. The company's occupancy rate stood at 97.2% for the September-ending quarter, while it collected or formally deferred 97.6% of its revenue.

Meanwhile, a significant part of the company's revenue is supported by public healthcare funding, thus providing stability to its earnings and cash flows. Further, the company is looking at expanding its portfolio in Europe. This year, it has acquired two hospitals in the U.K. for $620 million. These acquisitions could support the company's dividend payouts in the coming years, along with its stable cash flows.

Currently, NorthWest Healthcare pays monthly dividends of $0.067 per share at an annualized payout of $0.80 per share and a dividend yield of 6.4%. Given its stable cash flows, healthy growth prospects, and high dividend yield, I believe NorthWest Healthcare would be an excellent buy right now.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) runs a highly regulated and diversified energy business, with 98% of its adjusted EBITDA generated from regulated assets or long-term contracts. These stable cash flows have allowed the company to raise its dividends for the previous 25 years at a CAGR of 11%.

Earlier this month, the company's management hiked its dividends for 2021 by 3% to $3.34, representing a dividend yield of 8.1%. The management expects its 2021 DCF per share to fall between $4.70 and $5.00, representing a 4.3% growth from the mid-point guidance of 2020. Given its healthy liquidity of $14 billion and stable cash flows, Enbridge's dividends are safe. Further, the company continues to make advancements with its $16 billion growth projects, which could generate $2 billion of additional adjusted EBITDA from 2023.

Meanwhile, Enbridge is trading over 20% lower for this year amid the energy sector's weakness, providing an excellent buying opportunity for long-term investors.

BCE

With telecommunication becoming an essential service in this digitally connected world, I believe **BCE** (TSX:BCE)(NYSE:BCE) would be an excellent defensive bet. Given its healthy underlying business and strong customer base, the company generates stable cash flows.

Despite the pandemic's impact, the company generated $2.1 billion of cash from its operating activities in the September-ending quarter, while its free cash flows stood at $1.03 billion. Further, the company's financial position looks healthy, with a $5.2 billion liquidity as of September 30. The company's focus on expanding its 5G network and advanced broadband internet services could drive its financials in the coming years.

Further, BCE has rewarded its shareholders by raising its dividends consistently since 2009. The company currently pays quarterly dividends of $0.8325 per share, representing a dividend yield of 6.1%.

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4. TSX:ENB (Enbridge Inc.)
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