



The 3 Best Canadian Dividend Stocks You Can Buy Under \$30

Description

Are you planning to invest in dividend stocks but running tight on budget? Worry not. Several stocks listed on the TSX offer high yields and have resilient businesses, implying that their dividends are safe. Also, these stocks are trading below \$30, which means you don't need a large amount of money to start investing.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is a top [dividend stock](#) trading under \$30. The utility and renewable energy company operates a low-risk business that generates predictable cash flows, as its assets are either rate-regulated or are under long-term contractual arrangements.

Further, Algonquin Power & Utilities's dividends have grown at a CAGR (compound annual growth rate) of 10% over the past 10 years, reflecting strong growth in its bottom line. Moreover, investors could expect the company to continue to increase its dividends at a healthy pace in the coming years.

Notably, the company projects its rate base to increase at a CAGR of about 11% over the next five years. Meanwhile, adjusted EBITDA and earnings are projected to grow at a CAGR of 15% and 8-10%, respectively, during the same period.

Algonquin Power & Utilities's growing rate base and improved profitability are likely to drive its dividends in the future. The stock offers an annual dividend of US\$0.62 a share, reflecting a decent yield of 3.8%.

AltaGas

AltaGas's([TSX:ALA](#)) balanced portfolio of regulated utility assets and high-growth midstream business make it an attractive investment. The company's rate-regulated utility business adds stability and generates predictable cash flows that support its dividend payments. Notably, the company expects to generate most of its normalized EBITDA in 2021 from the utility business.

Meanwhile, its midstream operations are delivering strong growth on the back of higher export volumes, thanks to Ridley Island Propane Export Terminal (RIPET).

The company expects rate base growth, new customer additions, and cost-reduction initiatives to drive its utility business in 2021. Meanwhile, higher global export volumes and integration of Petrogas are likely to drive its midstream operations.

AltaGas offers an annual dividend of \$0.33 a share, translating into a high yield of 5% at the current price levels.

NorthWest Healthcare Properties

With its healthcare-focused defensive portfolio of real estate, **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) is another top stock under \$30 to earn a steady [dividend income](#). The company's operating metrics remain strong, with a portfolio occupancy rate of about 97%, a weighted average lease expiry term of nearly 15 years, and inflation-indexed rents (about 73% of the total).

More than 80% of its tenants have government support and funding from public healthcare systems. Furthermore, NorthWest's business is diversified across seven countries, and the company has more than 2000 tenants, which adds stability and lowers risk.

Thanks to its high-quality portfolio and rising global healthcare expenditure, NorthWest is likely to deliver strong financial performance and boost shareholders' returns through consistent dividend payments. Further, its robust M&A and development pipeline and focus on deleveraging its balance sheet augurs well for growth.

NorthWest Healthcare pays monthly dividends and offers a high yield of 6.2%.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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