Dividends 101: 3 Value Stocks for Passive-Income Investors I'd Buy Right Now

Description

If you're a passive-income investor who's looking for more yield at a lower price, there are ample opportunities on the TSX. The appetite for speculation has surged of late. While most others are piling into the "sexiest" of growth stocks, I think it's a wiser idea to get greedy with some of the more unloved dividend stocks out there, many of which have swollen yields and valuation metrics at the lower end of the historical range.

So, without further ado, consider scooping up shares of **Telus** (TSX:T)(NYSE:TU), **Canadian Apartment Properties REIT** (TSX:CAR.UN), and **KP Tissue** (TSX:KPT), which sport yields of 4.6%, 2.7%, and 6.9%, respectively, at the time of writing.

Telus

Telus has been remarkably resilient amid the coronavirus pandemic. With the recent spin-off of its **Telus International** division, the parent company now has an even greater telecom focus. The company has done a great job of taking share from its top competitor in western Canada, **Shaw Communications**. While it's too early to declare Telus as the winning of the battle of the west, one can't help but think that Telus will continue to pull ahead of Shaw further, as it continues investing heavily in next-generation of telecom tech.

Telus stock is not cheap by any means, but as a winner that's likely to keep on winning, I wouldn't be against accumulating shares if you seek the perfect blend of passive income and long-term growth.

Canadian Apartment Properties REIT

Canadian Apartment Properties REIT, or CAPREIT for short, was under a considerable amount of pressure in 2020, as rent-collection rates took a dip before bouncing back towards the end of the year. Today, shares are down just over 15% from their all-time highs, which, I believe, will be reached ahead of the pandemic's end.

Fellow Fool contributor Adam Othman thinks CAPREIT is a name that's too cheap to ignore, praising the residential REIT for its growth-oriented nature, its high-quality, diversified basket of real estate assets, its relative resilience amid the pandemic, and the depressed valuation: "CAPREIT didn't just retain its position as a Dividend Aristocrat, but it also offers capital growth potential that's significantly better than most of the sector. Right now, this amazing stock is available at a considerable discount, and it should be on your radar."

I think Othman is right on the money and would look to accumulate shares on any COVID-induced weakness moving forward.

KP Tissue

KP Tissue is a tissue paper play that's fallen heavily out of favour of late. The stock is down 25% from its 52-week high but remains a compelling way to get a super-high yield. The stock may be vulnerable to unfavourable input cost fluctuations and supply chain disruptions, but I think the name ought to be nibbled on anytime its yield passes the 7% mark. While the payout is stretched, I view it as relatively safe and am a big fan of the state of the balance sheet.

The stock trades at 1.4 times its book value at the time of writing and is an intriguing contrarian play for passive-income investors who don't mind the added volatility.

CATEGORY

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TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
3. TSX:KPT (KP Tissue Inc.)
4. TSX:T (TELUS)

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