



## 4 Top Canadian Dividend Stocks to Buy Under \$30

### Description

Your portfolio is incomplete without few safe dividend-paying stocks. Given their stable payouts, these companies are less volatile, thus providing stability to your portfolio. Further, dividends help in mitigating the losses in case of capital erosion. If you are willing to invest in dividend stocks, here are the four safe dividend stocks that you can buy under \$30 right now.

### Algonquin Power & Utilities

**Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) has raised its dividends for the last 10 years at [an annualized growth rate of 10%](#). The company runs low-risk diversified utility businesses and operates renewable power generating facilities, with 85% of the power generated is sold through long-term PPAs (power-purchase agreement), thus delivering stable and predictable cash flows. These stable cash flows have allowed the company to raise its dividends consistently. Currently, the company pays quarterly dividends of \$0.2019, representing a dividend yield of 3.6%.

Meanwhile, Algonquin Power & Utilities has planned to make a \$9.4 billion capital investment over the next five years. These investments could increase the company's rate base at a CAGR of 11.2%, thus driving its adjusted EPS at a rate of 8-10%. So, given its impressive growth prospects, I believe that the company could continue to raise its dividends in the coming years. So, [Algonquin Power & Utilities could be an excellent buy for income-seeking investors](#).

### Hydro One

**Hydro One** ([TSX:H](#)) is involved in power transmission and distribution services. It services around 1.4 million customers in Ontario. With approximately 99% of its revenue generated from regulated utility assets, its financials are mostly stable. Supported by these stable and predictable cash flows, its management has raised dividends at a CAGR of 4.8% since 2016. The company currently pays quarterly dividends of \$0.2536 per share, representing a dividend yield of 3.5%.

Meanwhile, Hydro One has planned to invest \$9.7 billion from 2020 to 2024, increasing its rate base

from \$21.7 billion to \$26.0 billion at a CAGR of 5%. With the expansion in rate base, the company expects to increase its dividends at a CAGR of 5%.

## TransAlta Renewables

Amid the increased interest in renewable stocks, I have selected **TransAlta Renewables** ([TSX:RNW](#)) as my third pick. It currently operates around 44 renewable energy facilities, which together generate 2.5 gigawatts of power. The company sells a significant amount of the power produced from its assets through long-term PPAs, with the average life of these PPAs currently standing at 12 years. These long-term PPAs shield the company's financials from price and volume fluctuations.

Given its stable cash flows, TransAlta Renewables has raised its dividends at a CAGR of 4% since going public in 2013. It currently pays monthly dividends of \$0.07833 per share, representing a dividend yield of 4.4%. Meanwhile, in December, the company had signed an agreement to acquire three assets from **TransAlta Corporation**, increasing its power-generating capacity by 303 megawatts. Further, the company has several projects under the pipeline.

## NorthWest Healthcare Properties REIT

My final pick would be **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)), which invests in highly diversified and defensive healthcare properties across seven countries. Despite the pandemic, the company enjoys a high occupancy rate of 97.2% in the September-ending quarter, with its average lease expiry standing at 14.5 years. The company collected or formally differed 97.6% of its revenue, which is encouraging.

Meanwhile, NorthWest Healthcare has around \$350 million worth of projects under the pipeline in Australasia, Europe, Brazil, and Canada. With global spending on health care expected to rise, I believe the company's financials could only improve in the coming years. So, I think its dividends are safe. NorthWest Healthcare currently pays monthly dividends of \$0.067 per share, representing an attractive dividend yield of 6.1%.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:H (Hydro One Limited)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:RNW (TransAlta Renewables)

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