



3 Top High-Yield Dividend Stocks to Buy and Hold for Decades

Description

Time is an important variable when it comes to investments, but it doesn't affect all investment assets the same way. Growth stocks and other investment assets that rely upon capital appreciation to generate returns rely pretty heavily on the passage of time. Compounding is tied to "time" more tightly. But assets like rental properties or dividend stocks start generating returns right away.

For dividend stocks, there are several variables you might need to take into account. But yield, security, and the consistency of dividends are probably the most important ones, especially if you use them as passive-income-producing assets. Locking in a high-yield can be highly beneficial, and if you are planning to hold the stock for decades, it might return you the entire investment capital over time. It's different from any capital growth the stock offers.

A REIT

Many dividend investors love REITs because of their generous dividends. Still, currently, there might only be a few REITs (if any) that combine discounted valuation, stable payout ratio, and a high yield quite as tastefully as **Nexus REIT** ([TSX:NXR.UN](#)). This Oakville-based REIT emerged as a merger of two industrial REITs and has a diversified portfolio of 41 industrial, 13 office, and 22 retail properties.

The stock currently trades at an almost 10% discount from its pre-crash value, price-to-earnings of 4.2, and price-to-book of 0.8. The payout ratio is very stable at 50.8%, and the REIT is offering a mouthwatering yield of 7.85%. It hasn't raised its dividends in the last five years, but it also didn't slash them during the crash. The chances that it will do so in the coming years are minimal, so it's one high-yield REIT that you might consider holding on to for decades.

A telecom aristocrat

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is going through a rough phase. [The stock](#) fell only about 19% during the crash, but it's still having a difficult time recovering to its pre-pandemic valuation. It might be challenging for people who bought this 12-year-old aristocrat for capital gains, but if you want to add

this telecom giant for its dividends, you might consider locking in its juicy 6.42% yield.

Despite a high payout ratio of 132%, the aristocrat didn't break its dividend-growth streak and grew its payouts by \$0.0425 in 2021. The company has a strong balance sheet, a dominant position in the telecom sector, and the revenues are finally recovering to the pre-pandemic levels. This generous Dividend Aristocrat might keep beefing up your payouts in the coming decades.

An energy aristocrat

The energy sector has been suffering for a while now, and the pandemic became the most recent blow to the performance of the sector. On the bright side, this has made many energy aristocrats very attractively valued and turned relatively modest yields into significantly high ones. **Keyera** ([TSX:KEY](#)) is a natural gas liquids company that is currently [offering a very attractive](#) 7.6% yield, but unlike some other energy companies, it's definitely not undervalued.

The company has been growing its dividends for about a decade and has managed to sustain its dividends, despite a brutal 2020. It kept its payouts consistent last year and is still going with the same number in 2021, but even if it grows its payouts in the last few months of the year, it will hold on to the title of an aristocrat.

If you believe that the energy sector still has a few good decades left, Keyera can be a very attractive high-yield bet.

Foolish takeaway

The three high-yield dividends can help you out in multiple ways. You can reinvest them for more significant payout payouts in the future, start a passive-income stream with these three stocks. Or you can keep accumulating cash from them in your TFSA for emergencies or as capital that you can invest in other companies.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:KEY (Keyera Corp.)
4. TSX:NXR.UN (Nexus Real Estate Investment Trust)

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