



4 Top Under-\$20 Canadian Dividends Stocks with Above 4% Yields

Description

Investing in dividend stocks would help investors build significant wealth over the long term, as investors can utilize payouts to purchase more shares without committing much of their resources. Further, stocks with a healthy track record of raising dividends have delivered superior returns compared to non-dividend-paying companies in the long run. So, if you are interested in investing in dividend-paying stocks, here are four stocks that pay dividends above 4% yield and are available below \$20.

Pizza Pizza

When most food servicing companies are struggling due to the pandemic-infused restrictions, **Pizza Pizza Royalty** ([TSX:PZA](#)) has fared better due to its highly franchised business model and its investment in expanding its digital channels. The implementation of contactless pick-up and delivery transactions appears to have resonated with its customers.

Pizza Pizza has returned over 18% this year, comfortably outperforming the broader equity markets. Meanwhile, the uptrend could continue amid the reopening of the economy due to the ongoing vaccination drive. Its digital channel could support its growth even in the post-pandemic world due to the secular shift towards digital channels. Amid improving financials, the company had raised its monthly dividends by 10% to \$0.055 per share in November. Its forward dividend yield currently stands at a juicy 6%.

NorthWest Healthcare

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) acquires and manages healthcare real estate. The company has signed long-term contracts with most of its tenants, thus reducing vacancies. Given its long-term contracts and highly diversified and defensive portfolio, the company enjoys higher occupancy and collection rate.

Meanwhile, a significant part of its tenants receives government funding, which is encouraging. Also,

73% of its rent is inflation-indexed. Further, the company has also strengthened its balance sheet by raising over \$215 million through new equity offerings. The proceeds could aid NorthWest Healthcare in making accretive acquisitions in Europe and Australia, boosting its earnings. Besides, the company pays monthly dividends, with its forward yield standing at a healthier 6.1%.

WPT Industrial REIT

My third pick would be **WPT Industrial REIT** (TSX:WIR.U), which acquires, develops, and manages industrial properties across the United States. It provides storage and shipping solutions to e-commerce companies. Due to its exposure to the high-growth e-commerce sector and accretive acquisitions, the company has fared better than its peers amid pandemic-infused headwinds.

In its [December-ending quarter](#), the company enjoyed a high occupancy rate of 98.2% while collecting 99.8% of its billed rent. The company also completed six acquisitions during the quarter, expanding its portfolio to 37.2 million square feet across 20 U.S. states. Boosted by its solid fourth-quarter performance, the company is trading over 15% higher for this year. Meanwhile, I believe the uptrend to continue, given the e-commerce sector's high growth prospects. Besides, the company also pays monthly dividends, with a healthy dividend yield of 4.56%.

TransAlta Renewables

The transition towards clean energy could accelerate in the coming years amid rising concerns over high pollution levels, benefiting **TransAlta Renewables** ([TSX:RNW](#)), which owns or has an economic interest in several power generation facilities. These facilities together can generate 2.5 gigawatts of power annually. Meanwhile, the company sells most of its energy through long-term contracts, shielding its financials from price and volume fluctuations.

The steady cash flows from these long-term contracts have helped the company raise its dividends at a CAGR of 3% since going public in 2013. It currently pays monthly dividends of \$0.07833 per share, with its forward dividend yield standing at a healthy 5%.

Meanwhile, its [growth prospects look healthy](#), with around 2.9 gigawatts of power-producing facilities in the pipeline. So, I believe [TransAlta Renewables would be an excellent buy for income-seeking investors](#).

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
2. TSX:PZA (Pizza Pizza Royalty Corp.)
3. TSX:RNW (TransAlta Renewables)

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