



4 Top Canadian Dividend Stocks to Buy and Hold Forever

Description

Canadian investors love dividend stocks. Monthly or quarterly income distributed in a tax-efficient manner (at least better than interest), what's there *not* to love? While [dividend stocks](#) are not always the most exciting businesses, they are often stable and highly cash generative.

The best Canadian dividend stocks also provide upside from capital returns and dividend growth. Given this, here are four dividend stocks I would be happy to buy and own for just about forever.

A Canadian infrastructure stock

Out of the pandemic, infrastructure spending will be a major factor in many nations' economic recovery. Yet, many debt-heavy countries will now have to resort to private investments. This increasing trend should benefit **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) for years ahead.

BIP has scale in a broad array of infrastructure assets including midstream and energy assets, railroads and ports, various utilities, and data/cellular infrastructure. This Canadian stock has a great track record of total returns.

Over the past 10 years, it has returned over 600%. This gets interesting when I tell you 277% of that return is actually from dividends. It is a great dividend compounder. It has grown its dividend by a compound annual growth rate (CAGR) of 10% since 2009. The company expects 5-9% annual dividend growth going forward. It pays a 3.7% dividend today.

A top telecom stock

Another Canadian stock focused on our cellular, data, and internet infrastructure and services is **Telus** ([TSX:T](#))([NYSE:TU](#)). Over the years, Telus has consistently impressed me. It has a unique and innovative culture that sets it above its telecom peers. Through the pandemic, it consistently garnered industry-leading customer additions. As a result, its earnings were much less volatile.

Similarly, rather than investing in costly media assets, Telus has built a moat in digital verticals instead. It just spun off its digital IT and customer experience business. Likewise, it has strong businesses in virtual healthcare, agri-technology, and security.

While Telus pays a 4.6% dividend today, it already raised its dividend by 8.6% this year. On average over the past five years, this Canadian stock has raised its dividend by 7% per annum.

A top Canadian real estate stock

As e-commerce continues to become more important in society, demand for logistics and warehousing real estate should continue to grow. One Canadian stock that I really like for this trend is **Dream Industrial REIT** ([TSX:DIR.UN](#)). It operates a portfolio of multi-tenanted warehousing, logistics, and industrial properties across Canada, America, and Europe.

Despite even the pandemic, this REIT has been enjoying very strong rental rate growth in almost all its core markets. Likewise, it just acquired a transformational portfolio of properties in Europe. This will provide a platform for aggressive growth in that region.

This Canadian stock has a low-levered balance sheet (around 30%), strong expected near-term growth, and a nice 4.6% dividend today.

A global renewable leader

Another long-term trend that won't stop soon is the shift to renewable sources of power. As one of the largest pure-play, publicly-listed renewable power stocks, **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is very well-positioned. After a massive run-up in 2020, this Canadian stock has pulled back to more reasonable levels.

BEP operates 21,000 megawatts of hydro, wind, solar, storage, and distributed generation power capacity. It has been enjoying a very strong corporate demand to contract power from its assets. Consequently, it has more than 27,000 megawatts of capacity in its power development pipeline. That should fuel many [years of cash flow growth](#).

The stock pays a 3.3% dividend, but it has been growing by a 6% CAGR since 2012. This is a great Canadian stock to earn some green in your pocket and make the world a greener place.

CATEGORY

1. Dividend Stocks
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1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
3. NYSE:TU (TELUS)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
6. TSX:DIR.UN (Dream Industrial REIT)
7. TSX:T (TELUS)

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