1 Dirt-Cheap Stock to Bring in $178 in Dividends Every Month

Description

Motley Fool Canada investors continue to be interested in finding cheap stocks. But the hope behind it is to find a top growth stock that will make you rich overnight. While that would be nice, it's not realistic. You're risking missing out on solid growth in both returns and dividends from stable stocks.

But even in this arena, many are looking to the same, old players for income from dividends. I'd argue that companies like **Enbridge** (TSX:ENB)(NYSE:ENB) aren't even where Motley Fool Canada investors should be looking. While there certainly is nothing wrong with Enbridge stock, it's not where I would look for dirt-cheap prices and dividend growth to boot.

Granted, Enbridge stock is still a great option. Pipeline companies provide strong, long-term growth, and even decades from now, when we turn to clean energy, dividends are likely. That's because all that land is likely to be converted to clean energy use. But right now, shares continue to climb higher and higher. The once dirt-cheap stock is no longer so cheap. So, maybe Motley Fool Canada investors should take this time to look elsewhere for dividends.

Get industrial

Besides pipelines, dividends tend to be popular with real estate investment trusts (REITs). This makes sense, as REITs have to pay out 90% of taxable income to shareholders, and this usually occurs through dividends. However, those dividends were cut across the board recently during the pandemic. With no one going into work, building closures, retail locations shutting down, the rents just weren't there.

There was one type of property that kept open, even during the worst of the pandemic. That's industrial properties. Light industrial properties in particular meant there wasn't a lot of work being done inside the properties. These companies tended to see revenue not just continue but climb. That's because industrial properties made partnerships with one of the top pandemic sectors: e-commerce.

The e-commerce industry, as you likely know, boomed. As too did light industrial property thanks to the need to ship and store products. Light industrial property holders thus took the opportunity with low interest rates and a dipping economy to buy even more properties and expand their businesses. This created the perfect opportunity for those seeking dividends.

A top dirt-cheap stock for high dividends

So, what stock is still dirt cheap, given all this room for growth? I'd urge investors to consider **WPT Industrial REIT** (TSX:WIR.UN) when looking for their next dividend stock. The $1.94 billion company did incredibly well during the pandemic, and that continues today. During its latest earnings report, it announced a joint venture with 13 stabilized investment properties worth $370 million coming in company hands. It collected 99.8% of billed rent, continuing its record streak. And finally, funds from operations (FFO) increased by an incredible 62% year over year.

The company now owns 110 properties across North America, and shares have gone up with this growth. The stock has seen an increase of 33% in the last year and currently offers dividends at a yield of 4.21%. But the best part? That yield is paid out monthly! And even with all this growth, it's an absolute steal with a price-to-earnings ratio (P/E) of just 7.5! That's *half* of Enbridge stock!

Bottom line

There are plenty of stocks offering dividends out there, but even Enbridge stock cannot boast a P/E ratio as low as WPT Industrial's, nor can it claim monthly dividends. Plus, shares cost about half of Enbridge stock. So, if you were to invest $50,000 today, Motley Fool Canada investors would bring in $178 each month! And there's a lot more room for share growth.

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