



2 Top TSX Dividend Stocks to Buy in August and Hold Forever

Description

With the **S&P/TSX Composite Index** hitting new highs this week, [dividend stock](#) investors may find it challenging to find attractive bargains. Interest rates have hit historic lows in 2021. Consequently, a surge of international investors is buying Canadian stocks to lock in their high-quality dividend yields.

Unfortunately, for investors looking to buy new income-producing stocks, dividend yields have now significantly compressed. However, don't be concerned. If you have a long-term investing strategy, the yield of stocks matters less. In fact, the key to buying great dividend stocks is to buy great businesses that happen to produce a dividend. By this I mean, look at the business before the dividend.

Warren Buffett likes long-term stocks: Why shouldn't you?

Warren Buffett once said, "All there is to investing is picking good stocks at good times and staying with them as long as they remain good companies."

If a stock has a fundamentally strong business that produces stable, growing cash flows, investors can likely expect strong capital returns and dividend growth over time. Here are two top TSX dividend stocks with attractive business models that also happen to pay great dividends. They are perfect stocks to buy and hold for forever.

A top TSX renewable power stock

If you believe green energy is a rising trend, then **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a TSX dividend stock you want to own for a very long time. With 21,000 megawatts of power capacity, BEP is one of the largest pure-play renewable power stocks in the world. Despite this, [the stock has pulled back](#) to more attractive valuation levels recently.

The company has an enviable portfolio of hydropower assets that are complemented by a growing compilation of wind, solar, distributed generation, and battery power facilities. These assets are diversified by geography and counter-party. As a result, it garners a hedged stream of reasonably

predictable cash flows.

BEP has a growth pipeline that is more than double its current power capacity, which should fuel strong cash flow growth through the decade. This TSX stock pays a 3% dividend right now. However, that dividend has grown by a 6% compound annual growth rate (CAGR) since 2012.

A top TSX real estate stock

Granite REIT ([TSX:GRT.UN](#))(NYSE:GRP.UN) may not be the most exciting TSX real estate stock, but it sure is a great portfolio staple. Granite owns 107 institutional-grade logistics and industrial properties. These assets are dispersed across Canada, the U.S., and Europe.

When the pandemic hit, this TSX stock dropped with the rest of the market. Yet, it quickly recovered, faster than most peers and the overall stock market. It has a very strong tenant base, which is heavily supported by its partnership with **Magna International**. Other top tenants include e-commerce giants like **Amazon**, **Wayfair**, and **Restoration Hardware**.

This REIT has a fortress-like balance sheet with one of the lowest leverage ratios amongst peers. As a result, it has a very clean profile to strongly benefit from rising e-commerce trends across the world.

Today, it pays a 3.5% dividend yield. It has raised that dividend nine straight years in a row and it is unlikely to shake that pattern. All-in, this TSX stock has a great management team, top-quality assets, a supreme balance sheet, and great tailwinds supporting growth. All of this makes it [a great stock to buy in August](#) and own for just about forever.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:G (Genpact Limited)
3. NYSE:MGA (Magna International Inc.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:GRT.UN (Granite Real Estate Investment Trust)

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