# Forget BCE: These High-Dividend-Yield Stocks Look Way Cheaper

### Description

**BCE** (TSX:BCE)(NYSE:BCE) stock isn't the only game in town for Canadians seeking high (and reliable) passive income. Dividend investors still have ample options these days. Even with the broader markets flying higher, there are still many names with yields that are still slightly higher than that of their historical average yields. In this piece, we'll look at two Canadian dividend stocks I find to offer a better value than BCE at current levels. While I'm not against owning BCE as a part of your passive-income portfolio, I'd much rather be a buyer of the greatest bargains at any given time.



Undoubtedly, many content income investors are fine collecting a stable 5.5% yield with less care for capital gains potential. For longer-term investors, though, the magnitude of capital appreciation and dividend growth is well worth considering. And in many instances, you can get a BCE-like yield alongside greater growth prospects for a lower price.

## Looking beyond BCE stock

So, if you're looking beyond BCE stock, one of Canada's top Dividend Aristocrats, please consider the following:

## Enbridge: 6.8% dividend yield

**Enbridge** (TSX:ENB)(NYSE:ENB) is a pipeline play that's starting to heat up again after years of "roller coastering" amid profound uncertainties in the Canadian energy scene. Before 2015, Enbridge was a soaring stock with a soaring dividend and a staple for many passive-income investors who wanted to the best of both worlds in the form of a growing dividend and solid capital gains.

While Enbridge stock has failed to stage a comeback on numerous occasions over these past five or so years, I still think the name is worth hanging onto if you seek steady returns and a swollen but secure payout. It's not just the improving energy industry that has me bullish on Enbridge's latest rally off those October bottoms, but it's also the company's dedication to keeping shareholders happy with continued dividend hikes, despite company-specific or industry challenges that inevitably present themselves.

While BCE may offer a sounder sleep to jittery Canadian income investors, I think that in terms of long-term risk/reward that Enbridge is a better deal for investors. Do be warned, though; pipelines aren't the sexiest industry to be in right now, especially as ESG investors start valuing the "E" (environment).

In any case, I am a fan of Enbridge's sustainability initiatives. They may seem less meaningful today, but over time, they will make a huge difference as the world shoots to achieve "net zero" emissions over the next several decades.

## SmartCentres REIT: 6.2% dividend yield

If you won't get a sound sleep from investing in a midstream energy transporter, **SmartCentres REIT** ( TSX:SRU.UN) may be more your cup of tea. It offers 0.7% more yield than BCE at a ridiculously low multiple. Like Enbridge, however, SmartCentres isn't in the sexiest of industries amid the COVID-19 pandemic. Retail REITs and shopping malls have been under pressure for the past year and a half. Although the end of the pandemic could bring forth a huge reversion to pre-pandemic mean levels, some people think malls will continue to fold at the hands of the e-commerce secular trend.

I think the pandemic is a blip for the shopping centre REITs and think the timing of the e-commerce trend has been greatly exaggerated. Yes, e-commerce will continue to grow, and this crisis has given it a boost. That said, I firmly believe that the future of retail is omnichannel, a mix of physical and digital. In Canada, nobody combines the two better than SmartCentres.



Moreover, I think shares are way too undervalued, given the resilient nature of its retail tenants and the plan to grow into residential real estate — a segment that's worth a richer multiple.

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