



3 Safe Dividend Stocks to Buy Irrespective of Market Conditions

Description

Income-seeking investors would love to invest in high-quality [dividend stocks](#) due to their steady payouts. Supported by their solid operating performances and recession-proof business model, these companies generate stable cash flows irrespective of economic cycles, thus allowing them to pay dividends uninterrupted. As well, these companies are less susceptible to market volatilities and provide stability to your portfolio. So, if you are looking for safe dividend stocks, here are three top Canadian stocks.

NorthWest Healthcare

Given its highly defensive healthcare portfolio and long-term inflation-indexed leases, **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) enjoys higher occupancy and collection rate, thus delivering stable cash flows. In the recently [reported third-quarter earnings](#), its occupancy rate stood at 96.9%, with its international portfolio enjoying a high occupancy of 98.5%. Its collection rate stood at a healthy 99%. Meanwhile, its net operating income increased by 3.4% to \$74.7 million, while its net asset value (NAV) grew by 10.8% to \$13.60.

Meanwhile, NorthWest Healthcare is looking at expanding its presence in North America and Western Europe. It has around \$1 billion of projects under development. Additionally, the company also focuses on strategic acquisitions to drive growth. It has completed acquisitions worth \$400 million in the first three quarters and is working on closing the Australian Unity Healthcare Property deal.

Given its stable cash flows and healthy growth prospects, I believe NorthWest Healthcare's dividends are safe. It currently pays a monthly dividend, with its forward yield standing at 5.92%.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) operates low-risk utility assets and renewable power-generating facilities. Meanwhile, the company sells its power through long-term agreements, shielding against price and volume fluctuations. So, given its low-risk and regulated businesses, its

cash flows are predictable, thus allowing it to raise dividends consistently. Over the last 11 years, the company has increased its dividends by over 10% every year. Its forward yield currently stands at a healthy 4.79%.

Meanwhile, in October, the company signed an agreement to acquire Kentucky Power Company and Kentucky Transmission Company from American Electric Power Company for US\$2.85 billion. The acquisition could increase its rate base by \$2.2 billion while increasing its overall business mix to around 80% of regulated business.

Also, the company's planned investment of \$9.4 billion from 2021 to 2025 and growing transition towards green energy could boost its financials in the coming quarters. Given its steady cash flows, healthy growth prospects, and solid liquidity of \$1.89 billion, I believe Algonquin Power & Utilities is [well-equipped to continue its dividend growth](#).

BCE

My final pick would be **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), which has been paying dividends since 1881. Supported by the addition of 266,919 new customers, its operating revenue and adjusted EPS grew by 0.8% and 3.8%, respectively. However, its free cash flows declined by 44.8% due to lower cash flows from operating activities and increased capital expenditure. The company has increased its capital investment to accelerate the rollout of its 5G, fibre, and rural wireless home internet networks.

Meanwhile, the demand for faster and reliable internet service is growing due to rising digitization and a growing remote working and learning culture. Amid the expanding addressable market, the company is investing aggressively to expand its market share.

With over \$6 billion of liquidity, BCE is well-equipped to fund its growth initiatives and continue paying dividends at a healthier rate. Currently, it pays a quarterly dividend of \$0.875 per share, with its forward yield standing at 5.47%.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:BCE (BCE Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BCE (BCE Inc.)
5. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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