



## The 3 Best Canadian Dividend Stocks to Buy in December

### Description

Canadian dividend stocks have had a strong year in 2021. Despite [dividend](#) yields compressing from 2020, many companies have continued to expand their dividend payouts on strong earnings. Considering 2021 was an enormously strong economic year, it is possible that growth could deflate. Consequently, a large part of returns could come from dividend income.

I want to position in Canadian dividend stocks with strong balance sheets, great managers, strong assets and visible cash flow growth. That is why three of my top dividend [stock picks for 2022](#) are **TELUS Corp.** ([TSX:T](#))([NYSE:TU](#)), **Dream Industrial REIT** ([TSX:DIR.UN](#)), and **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)).

### Canadian dividend stock 1: TELUS

Of all the telecommunications stocks, my bet is with TELUS. Over the past 10 years, its returns have beat its peers by a strong margin. In fact, it has outpaced its closest competitor, **BCE**, by almost 50 percentage points.

Since the pandemic, TELUS has consistently had market leading net customer wins. Likewise, its investment into fibre optic infrastructure is fast paying off in rising free cash flows. TELUS just sold off [its fin-tech division](#) for \$500 million to **Dye & Durham**. After reducing debt with the proceeds, TELUS' balance sheet is in excellent condition.

Not to forget, TELUS has some great growth within its underlying digital vertical businesses. Its innovation in these divisions should continue to fuel market leading growth over peers. Today, this Canadian stock pays a \$0.3724 quarterly dividend per share. That is equal to a 4.4% dividend yield. It has raised that dividend three times since late 2020. I think further high-single digit dividend increases are in the books for 2022.

### Income Stock 2: Dream Industrial

Chances are good you have heard about the massive supply chain gridlocks across the globe in 2021. Well, that is very favourable for an industrial warehouse real estate stock like Dream Industrial REIT. Dream owns and manages logistics, distribution, and industrial properties across Canada, the United States and Europe.

Over the past two years, Dream has nearly doubled the size of its portfolio. Yet, at the same time it has also massively de-levered and reduced its total cost of debt. Today, it has one of the best balance sheets amongst its Canadian peers.

Dream has been seeing very high occupancy, strong rental rate growth, and rising cash flows. Today, this stock pays a 4.2% dividend. However, as its payout ratio drops on strong cash flow growth, it could raise its dividend in the near future.

## Canadian dividend stock 3: Canadian Natural Resources

Energy and commodities are potentially a good hedge against inflation. One Canadian energy stock with a very attractive, well-covered dividend is Canadian Natural Resources. It is one of the only oil super-majors to not only maintain its dividend, but actually grow it in 2020.

In fact, over the past five years, it has grown its dividend by a compounded annual growth rate of 14.8%. It just raised its quarterly dividend again by 25%! Today, this dividend stock yields 4.3%.

CNQ has a great production platform that can produce energy with factory efficiency. Consequently, it can produce oil and natural gas at a very low cost. With oil averaging over \$70 per barrel, CNQ is producing a huge amount of free cash flow. While it may be volatile, this stock has a great balance sheet and a strong record of delivering consistent, reliable shareholder returns.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:TU (TELUS)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:DIR.UN (Dream Industrial REIT)
5. TSX:T (TELUS)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Smart News
8. Yahoo CA

#### **PP NOTIFY USER**

1. gsmiley
2. robbybrown

#### **Category**

1. Dividend Stocks
2. Investing

#### **Date**

2025/07/20

#### **Date Created**

2021/12/13

#### **Author**

robbybrown

default watermark

default watermark