3 Cheap Dividend Stocks That Yield 4.7% or More

Description

Are you looking for dividend stocks that yield 4.7% or more?

If so, it pays to look at Canadian REITs and energy stocks.

Canadian stocks generally have higher yields than stocks in other countries. Partially, this is because the TSX's gains over the last decade haven't been as strong as those seen in other countries. When dividends rise more than stock prices do, yields go up. So, in some ways, the TSX's relatively high yield (2.5%) is a product of underperformance.

However, that may not continue being the case in 2022. This year, many top financial experts, like Wharton's Jeremy Siegel are advising investors to stay away from growth names and pivot to value stocks. The TSX is perfectly suited to such a strategy, as it contains many banks, energy stocks, utilities, and REITs. In this article, I will explore three TSX value stocks with yields above 4.7%.

Northwest Healthcare

Northwest Healthcare Properties REIT (TSX:NWH.UN) is a Canadian REIT with a 5.9% yield. It is a healthcare REIT that leases out office space to healthcare providers in Canada and the European Union. This is a very stable niche, because healthcare in Canada and most of Europe is government funded. Backed by government revenue, NWH's tenants have unparalleled ability to pay. This fact was borne out in NWH's most recent earnings release. In it, the company posted the following:

- $95.6 million in revenue, unchanged year over year
- $0.22 in adjusted funds from operations (AFFO), which is in line with the previous quarter
- 2.3% growth in net operating income (NOI)
- $8.5 billion in assets under management (AUM), up 15%
- $13.6 in NAV per share, up 11%

Those are pretty solid results. Obviously, we're not seeing a whole lot of growth here, but with a 6% yield, NWH.UN can add some much-needed income to your portfolio.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a Canadian energy stock with a 6.6% dividend yield. It's a pipeline company, which means that it transports oil across networks of pipes. It is the largest such company in North America, with a vast pipeline network spanning Canada and the United States. This is a very stable business, because pipelines are the cheapest way to transport oil by land. In its most recent quarter, Enbridge delivered the following:

- $1.2 billion in adjusted earnings, up 20%
- $2.3 billion in distributable cash flow, up 9.5%
- $3.3 billion in EBITDA, up 10%

Those are pretty solid results all around. Distributable cash flow was up enough to support continued dividend increases, so we could see ENB hiking its dividend in the future.

Suncor Energy

Suncor Energy (TSX:SU)(NYSE:SU) is a TSX energy stock that yields 4.74%. In the past, this stock's yield went as high as 5.5%, but recent stock price gains have lowered it. Suncor is an integrated energy company, meaning that it extracts, refines, and sells crude oil. It has a network of gas stations called Petro-Canada, where it sells gasoline directly to consumers.

Like most integrated energy companies, Suncor makes more money the higher the price of oil goes. Unlike other energy companies, though, Suncor is truly dirt cheap, trading at just 1.3 times book value. Despite the cheap valuation, the company doesn't want for growth. In its most recent quarter, it delivered $2.6 billion in cash flow, up 160%, and $877 million in net income, up from a loss.

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2. NYSE:SU (Suncor Energy Inc.)
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4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
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