



## Top 3 Dividend Stocks in Canada for 2022

### Description

Canada is home to some of the best dividend stocks in the world. With finance, telecoms, and energy dominating the economy, steady cash flows are everywhere. However, most dividend stocks offer tiny yields or leave investors exposed to undue risks.

With that in mind, here are some of the most reliable dividend stocks investors can focus on for safe returns in the year ahead.

### Safe dividend stock #1

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is at the top of this list for good reason. The utility giant is somewhat [immune to economic issues](#). Fortis stock barely dipped during the market panic of 2020. This year, as tech and growth stocks nosedive, FTS is relatively flat.

Meanwhile, the company offers a 3.6% dividend yield. In my mind, that dividend is somewhat correlated to inflation. After all, energy bills are a key component of the government's annual inflation calculation. If Canadian households pay more for electricity in 2022, you can be certain that it will be reflected in Fortis's annual payout.

The company's management is being conservative with near-term forecasts. For the next few years, they see annual dividend growth at 5-6%. However, the company's payout ratio is just 76%, which means there's plenty of room to expand dividends beyond that target.

### Safe dividend stock #2

**Northwest Healthcare Properties REIT** (TSX:NWH.U) is another recession-proof dividend stock. Northwest is a real estate investment trust that focuses on healthcare properties such as clinics and hospitals. Operational costs in this line of work are higher, but the rental terms are also much more favourable. For instance, the average lease term with NorthWest is 14 years.

These extended leases offer the company plenty of visibility on future revenues. That's why NorthWest can comfortably afford its annual shareholder rewards.

At the time of writing, Northwest stock is trading at just six times earnings per share. The stock also offers a 6% dividend yield, which is nearly triple the market average. This high-yield, low-risk dividend stock deserves a spot on your list for 2022.

## Safe dividend stock #3

**Exchange Income** ([TSX:EIF](#)) is the last pick on this list. The company operates a wide range of airline carrier services. However, these aren't consumer airlines. Instead, the team focuses on essential air transport.

Subsidiaries under the Exchange Income umbrella offer emergency evacuation services during fires and natural disasters. Some offer medical rescue and equipment transport. Others deliver industrial metals or assist with the installation of cellphone towers and high-rise windows.

In other words, the company manages mundane but necessary tasks that require a specialized air transport crew. With not much competition in this niche, EIF generates substantial cash flows. Over the past 18 years, it has boosted the dividend 14 times. That's nearly an annual rate of dividend growth. At the moment, EIF stock offers a 5.5% dividend yield that's paid out every month to shareholders.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:EIF (Exchange Income Corporation)
3. TSX:FTS (Fortis Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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**Author**

vraisinghani

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