



2 Value Stocks You Won't Regret Buying Now

Description

Dividends are a key component of long-term total returns. Some studies suggest that dividends contribute about a third of total returns in the long run. You can buy the following [value stocks](#) now to collect dividend income, as a part of your diversified investment portfolio.

Choice Properties REIT

You may recall that **Choice Properties REIT** ([TSX:CHP.UN](#)) merged with quality diversified REIT Canadian REIT in May 2018. Andrew Moffs summed up Choice Properties REIT well in July 2021 on *BNN*:

“Stable income provider you can add to any portfolio. Likes it. Great real estate nationally. Biggest tenant is **Loblaw**, so it has a secure cashflow. An element of growth, which is unique, from the industrial sector. Nice combination of safety and growth. Hold, sleep well at night with the distribution yield.”

Andrew Moffs, senior vice president and portfolio manager at Vision Capital

Specifically, Choice Properties earns about 55.3% of its gross rental revenue from Loblaw. Since 2013, it has maintained a high occupancy of at least 97%.

REITs are value stocks that investors should aim to buy at good valuations to earn stable income from. Right now, the REIT is reasonably priced and offers a juicy yield of about 5.1% in monthly cash distributions. According to Yahoo Finance, eight analysts have a 12-month consensus price target of \$16 per unit that represents a discount of 10%.

Interested investors could wait until next week to consider buying the [dividend stock](#), as the stable REIT is scheduled to report its fourth-quarter and full-year 2021 results on February 16 after the market closes. Consider owning the REIT in your [Tax-Free Savings Account](#) (TFSA) for tax-free, passive income.

Manulife stock

Manulife ([TSX:MFC](#))([NYSE:MFC](#)) stock seems to trade at a steep discount to its potential. Last week, Michael Sprung compared Manulife stock with its peer **Sun Life**.

“We prefer Manulife, though there are concerns about their Asian exposure. It’s selling at slightly over book and SLF higher. MFC also pays a higher yield of over 1%, and the valuation is better with MFC. We own both and both will benefit from rising interest rates. MFC has been minimizing risk by getting out of their non-core holdings and to concentrate on their profitable businesses, but this demands patience. It’s making solid progress as the new CEO focuses on shareholder value.”

Michael Sprung, president of Sprung Investment Management

Indeed, Manulife is creating shareholder value by paying out a nice dividend yield of 4.9%. It pays about 36% more income than Sun Life stock, because MFC trades at a cheap valuation of about 8.1 times earnings. Compare the bargain valuation to its estimated earnings-per-share growth rate of 9%.

You can immediately get an average yield of 5% from Choice Properties REIT and Manulife stock today. A \$6,000 investment divided equally between the two would generate annual income of \$300, equating to monthly income of \$25. You can hold Manulife in your non-registered account to enjoy favourably taxed income. If you have room in your TFSA, you can also hold the stock there.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
3. TSX:MFC (Manulife Financial Corporation)

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. kayng

2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/08/30

Date Created

2022/02/09

Author

kayng

default watermark

default watermark