



4 Canadian Stocks With Dividend Yields Above 5.5%

Description

The volatility in the equity markets has increased over the last few months amid the increasing concerns over high inflation, rising interest rates, and the ongoing Russia-Ukraine war. So, given the uncertain outlook, investors can strengthen their portfolios and boost their passive income by investing in these four Canadian stocks, which have dividend yields of above 5.5%.

NorthWest Healthcare Properties REIT

With a forward yield of 6.25%, **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) is my first pick. Given its defensive and diversified healthcare portfolio, long-term agreements, and government-backed tenants, the company's occupancy and collection rates remain high irrespective of the state of the economy. So, its cash flows are stable and resilient, thus allowing it to pay a dividend at a healthy rate.

Meanwhile, NorthWest Healthcare is focusing on expanding its business in the United States, Europe, Australia, and Canada. It [recently](#) acquired 27 healthcare properties spread across 10 states of the United States for \$765 million. These expansion initiatives could boost the company's financials in the coming quarters, thus making [NorthWest Healthcare's dividend safe](#).

Extendicare

Second on my list is **Extendicare** ([TSX:EXE](#)), which provides care and services to senior citizens across Canada under various brands. It operates 119 long-term-care (LTC) homes and retirement communities, serving around 93,000 Canadian elderly citizens. With the rising aging population, the demand for the company's services is growing.

Amid rising demand, Extendicare is looking at expanding its business. It has started the construction of a new 256-bed LTC home in Stittsville. The company has around 21 redevelopment projects, with three under construction and 18 pending government approval. These projects could boost the company's cash flows in the coming quarters, thus allowing it to pay its dividend at a healthy yield.

Currently, Extendicare's forward yield stands at 6.74%.

Pizza Pizza Royalty

Third on my list is **Pizza Pizza Royalty** ([TSX:PZA](#)), which had raised its monthly dividend by 8.3% to \$0.065/share in February. Its forward yield currently stands at a juicy 5.91%. With the Canadian government easing restrictions, the company has reopened its non-traditional restaurants and dining spaces, boosting walk-in sales. Also, the investment in strengthening its digital channels could continue to drive its sales, even in the post-pandemic world.

Further, Pizza Pizza Royalty has accelerated its restaurant network expansion and expects to increase its restaurant count by 5% this year. So, given its growth initiatives and stable cash flows due to its highly franchised business, the company is well positioned to continue paying its dividend at a higher yield.

Enbridge

With a dividend yield of 6%, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is my final pick. The company operates 40 diverse revenue-generating assets generating stable and reliable cash flows, thus allowing the company to increase its dividends for the previous 27 years at a CAGR of over 10%. The company's asset utilization rate is rising amid growing energy demand.

Further, the company had put around \$10 billion of projects into service last year, which could substantially boost its cash flows. Enbridge plans to invest approximately \$5-\$6 billion annually, with most of the investments in utility-like assets. Given these investments, favourable market conditions, and solid liquidity position, Enbridge is well positioned to continue its dividend growth.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:EXE (Extendicare Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:PZA (Pizza Pizza Royalty Corp.)

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