3 Dividend Stocks That Are Dirt Cheap Right Now

Description

Canadian investors don't have to look too far to find cheap stocks right now. Even among dividend stocks, there are so many that trade well below where they were even at the beginning of 2022. But when it comes to finding dirt-cheap stocks that are going to perform well during and after a potential recession, suddenly, your search becomes a bit harder.

Today, I'm going to recommend three dividend stocks that trade at dirt-cheap prices. But on top of that, these are strong performers that will help you get through this market correction and bear market with cash in your pocket. Beyond that, you can look forward to solid returns from these three stocks.

NorthWest Healthcare REIT

NorthWest Healthcare Properties REIT (TSX:NWH.UN) is a healthcare property real estate investment trust (REIT). As an REIT, it hands out much of its returns through dividends, creating solid passive income. When it comes to this REIT, it's been on the market for only a few years. Among those years, the dividend has yet to increase.

That being said, NorthWest offers *stable* passive income. It hasn't cut its dividend, even in the face of the March 2020 market crash. Since then, the company has done incredibly well, achieving record revenue thanks to more assets through acquisitions, and the renewals of lease agreements. It now has an average lease agreement of about 14 years.

NorthWest is now one of the dividend stocks out there trading at just 6.8 times earnings and is down about 10% year to date. So, you can lock in its dividend yield of 6.63% right now.

Exco Tech

You’ll notice with NorthWest that this company is an essential service. It provides healthcare, andthat’s something we will always need. But there are other companies offering essential services thatmay not be so obvious. One of those companies is **Exco Tech** (TSX:XTC).

This company designs moulds, components, and assemblies for die-cast, extrusion, and automotive industries. These are services that not only remain essential but are in huge demand right now. And Exco stocks has operations across the world from North America to Thailand. It now has a dividend yield of 5.26% to lock in today, which has increased at a dividend compound annual growth rate (CAGR) of 14.71%!

It offers significant value, trading at just 13.3 times earnings and 0.9 times book value, with shares down 20% year to date.

TransAlta Renewable

Finally, if you want future growth along with passive income, then a dividend stock I would consider is **TransAlta Renewables** (TSX:RNW). This renewable energy company is a great long-term investment with the world moving over to clean energy in the future. But for now, you can still lock in a great dividend of 5.71%.

Furthermore, the company offers great value trading down 9.9% year to date and trading at 34 times earnings and at a price-to-book ratio of just 2.3 times. Earnings and sales are set to climb higher over the years, as the company continues to expand and the world continues to make its shift to clean energy. While its dividend has only grown at a CAGR of 1.33% during the last five years, it still offers more stable income for Canadians to lock in today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
2. TSX:RNW (TransAlta Renewables)
3. TSX:XTC (Exco Technologies Limited)

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