



3 Top Dividend Stocks to Buy Under \$20

Description

The increase in benchmark interest rates, rising prices, and geopolitical tensions have created volatility in the equity markets. Given the challenging environment, it is prudent to focus on earning stable passive income and strengthening your portfolio. So, if you wish to invest in high-yield [dividend stocks](#), here are my three top picks that you can buy for under \$20.

NorthWest Healthcare Properties REIT

With REITs bound to pay 90% of their taxable income to shareholders, these companies are an excellent means to earn passive income. So, I have picked **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)), which acquires and manages healthcare facilities across eight countries, as my first pick. Given its defensive healthcare portfolio, long-term contracts, and government-backed tenants, the company enjoys higher occupancy and collection rate.

It is expanding its presence in the United States with the recent acquisition of 27 healthcare facilities for \$753 million. The company has created \$2 billion in developmental opportunities across various countries, including Australia, Europe, Brazil, and Canada. It has also boosted its balance sheet by raising \$173.7 million in May. So, given its growth potential and stable cash flows, I believe NorthWest Healthcare's dividend is safe. Meanwhile, with a monthly dividend of \$0.0667/share, its forward yield currently stands at 6.63%.

Pizza Pizza Royalty

Last month, **Pizza Pizza Royalty** ([TSX:PZA](#)) raised its monthly dividend by 3.8% to \$0.0675/share, with its annualized payout at \$0.81/share. It was a second hike by the company this year. In February, the company raised its monthly dividend by 8.3%.

The reopening of dining spaces and non-traditional restaurants and improving same-store sales amid the easing of pandemic-infused restrictions appear to have improved the company's financials, thus prompting the management to raise its dividends. Its forward dividend yield currently stands at a juicy

6.67%.

With the restarting of its restaurant development program, Pizza Pizza expects to increase its restaurant count by 5% this year. Its investment in strengthening digital channels could continue to boost its financials. Despite its healthy growth potential, the company trades at an attractive NTM EV-to-EBITDA multiple of 13.4, making it an attractive buy for income-seeking investors.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) operates a diversified portfolio of assets serving over one million customers. It also owns and operates renewable power-generating facilities while selling the power generated from these facilities through long-term agreements. Given its low-risk and regulated assets, the company generates stable and predictable cash flows, allowing it to pay a dividend at a healthy rate. In May, Algonquin Power & Utilities raised its quarterly dividend by 6% to US\$0.1808/share, with its forward yield currently at 4.18%.

Meanwhile, the company has committed to invest around US\$12.4 billion from 2022 to 2026, expanding its utility and renewable power-generating assets. These investments also include strategical acquisitions. Year to date, the company has acquired New York American Water Company and is working on acquiring Kentucky Power Company. Meanwhile, given its growth potential, the company's management expects its adjusted EPS to grow around 7-9% through 2026. So, I believe Algonquin Power & Utilities is well positioned to continue its dividend growth.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PZA (Pizza Pizza Royalty Corp.)

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