



Long-Term Investing: 2 Top Dividend-Growth Stocks to Power Your Portfolio

Description

When it comes to investing your hard-earned capital, there's no question that the best strategy to consider is [long-term investing](#). And especially in the current market environment, if you can find top dividend-growth stocks to buy and hold for the long haul, these can be some of the best investments that you make.

High-quality stocks have the ability to grow consistently for years, compounding your capital significantly.

But not all growth stocks will be rapidly growing companies in the early stages. That's why owning high-quality dividend-growth stocks is also crucial, particularly to help grow your portfolio through downturns in the economy and stock market, as we're seeing today.

In fact, while many stocks have sold off this year, growth stocks, particularly early-stage growth stocks that aren't yet profitable, have been some of the biggest underperformers.

Therefore, owning high-quality, dividend-growth stocks for the long run that have well-established businesses will be crucial to investors' long-term success.

If you've got cash to invest today, here are two top dividend-growth stocks — one that's been extremely resilient in this environment and one that you can buy at a significant discount today.

One of the best dividend-growth stocks to buy today

If you've got cash to put to work today and are looking for highly reliable dividend-growth stocks to buy, **Emera** ([TSX:EMA](#)), the utility stock, is certainly a top choice.

Utility stocks make excellent dividend-growth stocks due to their robust business operations and highly predictable revenue and cash flow. In fact, Emera is in the midst of a multi-year capital program, where it plans to increase its dividend by 4-5% each year through 2024. It also expects its rate base to grow between 7% and 8% a year through 2024.

Plus, in addition to its current dividend-growth plan, Emera has a lengthy 15-year dividend-growth streak showing what a high-quality and consistent investment it can be. Furthermore, since 2000, the dividend, which now [yields](#) roughly 4.4%, has increased at a compounded annual growth rate of 5%.

And now, with the stock trading near the bottom of its 52-week range, it's certainly one of the top dividend-growth stocks you can buy. However, it's worth noting that even near the bottom of its 52-week range, Emera trades just 10% off its high.

So, while the discount it offers is not that significant, it's also a reminder of what a reliable and resilient stock Emera is that can protect your capital, as the market sells off, while continuing to pay an attractive dividend.

A top TSX stock to buy and hold for the long haul

If you're an investor looking for a high-quality dividend-growth stock but are looking for more of a discount, I'd recommend **Granite REIT** ([TSX:GRT.UN](#))([NYSE:GRP.U](#)).

Granite is an industrial real estate stock with assets in North America and Europe. It, too, is a resilient business and a reliable investment with a dividend-growth streak of 11 years.

The reason why it's sold off much more than Emera this year (down over 30% from its 52-week high) is that it's much more of a growth stock and, prior to the selloff, was trading with a well-deserved premium.

So, the fact that it's sold off doesn't necessarily make it any less reliable of an investment. In fact, there's now much less downside risk, plus investors have the opportunity to buy at a discount and with an elevated yield that now sits at 4.3%.

Industrial real estate is one of the best subsectors to invest in due to all the long-term tailwinds and strong demand that the industry has seen in recent years.

Therefore, if you're looking for top dividend-growth stocks to buy now, Granite REIT is easily one of the best to consider.

CATEGORY

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2. TSX:EMA (Emera Incorporated)

3. TSX:GRT.UN (Granite Real Estate Investment Trust)

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