3 Buy and Hold Dividend Stocks With Enormous Long-Term Potential

Description

Finding high yield dividend stocks in this environment is a great way to secure a steady stream of passive income. However, it's important to look at the big picture. While there are companies out there offering high dividend yields, they could come crashing down over the years, and even in the next year or so with the recession looming.

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That's why it's important to think long-term, which is what I'm going to do today. Here are three dividend stocks that have superior long-term potential.

Granite REIT

Granite REIT (TSX:GRT.UN) is a solid choice on the **TSX** today. Granite holds a portfolio of industrial spaces that continue to be in high demand in this supply-chain affected country. Granite has been growing for years, thanks to buying up land and building essential industrial properties across Canada.

The company has a strong balance sheet, which means investors can likely look forward to even more growth in the years to come. It's halved its debt over the last year and increased its net income to about $90 million in the second quarter.

Given Granite's ties with the e-commerce industry, right now shares are down 31%. As such, it's a great time to pick up the stock as a long-term hold. After all, you can lock in a dividend yield of 4.4%, while shares trade at 4.2 times earnings.

CIBC

Another stock that's *way* below where it should be is **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM). This is one of the top dividend stocks out there. As a Big Six Bank, its provisions for loan losses mean it can come out of practically any downturn as strong as ever. But there's even more for investors to look forward to.

CIBC stock has been growing its customer base as it continues to improve its customer service initiatives. Its logo overhaul has also attracted new clients, and it's been expanding its growth portfolio as well. All this has brought in more income, even as loans continue to drop.

Among dividend stocks, it offers a high yield of 5.46% as of this writing. So, you can pick it up while shares are down about 15% year-to-date, and while it trades at just 8.77 times earnings.

Northland Power

Finally, if you're looking for monthly income now, and returns later, then **Northland Power** (TSX:NPI) is a solid option as well. Northland owns and operates clean energy assets around the world, and the company has invested in offshore wind farms, where it could corner the market as it continues to expand into this space.

It's an exciting time for investors to consider NPI stock. With the global shift to renewable energy, it remains to be seen which clean energy assets will be the most heavily invested in. However, given that the world needs more arable land, it's likely that there'll be a major investment in offshore wind farms.

So, with shares trading up 6% year-to-date, but down 14% in the last two months, now is a great time to jump on this monthly income payer. Shares trade at 16.14 times earnings, and you can lock in a 3.08% dividend yield today.

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2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:GRT.UN (Granite Real Estate Investment Trust)
4. TSX:NPI (Northland Power Inc.)

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