# 2 Reliable Stocks I’d Buy for My TFSA With an Extra $5,000

## Description

Canadian investors are constantly looking for new stocks that have proven long-term growth, especially during the last decade. That’s because 10 years ago this year, the Tax-Free Savings Account (TFSA) opened for Canadians to take advantage of.



The TFSA offers a limited amount of contribution room for investors to stash their money away, and – as the name suggests – all of it tax free. Now I saw limited, but that doesn’t mean the room is small. As of this year, that contribution room is up to $63,500.

But if you’re a millennial like myself, you likely don’t have $63,500 ready and waiting around to be invested. It’s far more likely you have maybe $5,000 in your savings account, collecting dust.

So back to the goal of Canadians: finding those long-term investments. Here I have two great options for where to put that $5,000, and to slowly, but steadily, fill up that contribution space.

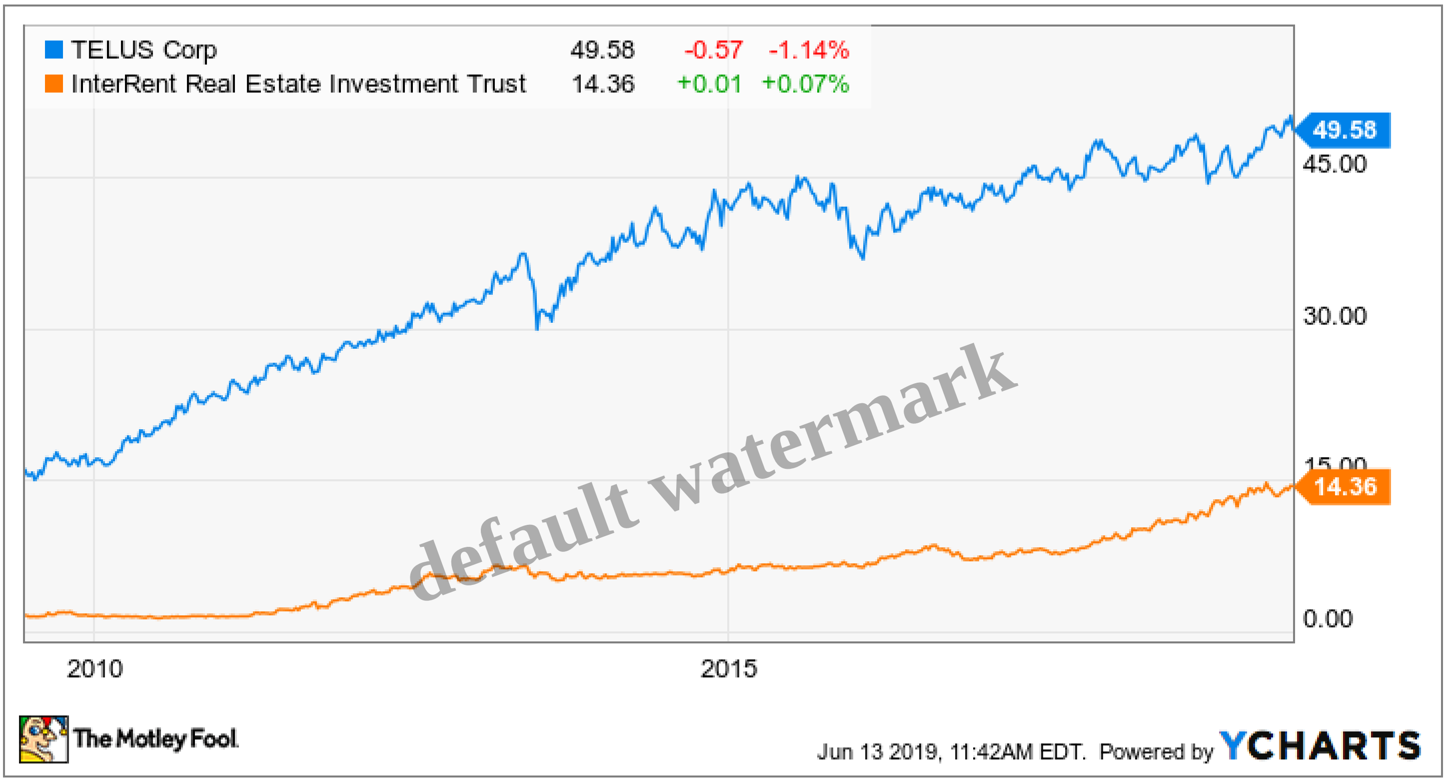
## InterRent

**InterRent Real Estate Investment Trust** (TSX:IIP.UN) is the perfect option for an investor looking for steady long-term growth, as well as some passive income. Real estate investment trusts (REITs) in general are great investments if you’re looking for passive income, as they usually offer a strong dividend and have a solid payout history.

That’s the case for InterRent, which currently offers a dividend of 2.05%. Now that might not seem like much given the stock’s current share price as of writing at $14.36, but what’s excited investors recently is how well the REIT is performing.

In the last five years, the stock has increased by almost 150%, which is largely unheard of among REITs. This is due to the company's "renovate and raise rent" strategy. InterRent is an opportunist, buying up cheap properties that have been poorly managed and turning them around. This is done through renovations, upgrades, additions to amenities, and of course hiring new management. Of course, the company can then charge much higher rents.

The strategy should continue to work for the foreseeable future, offering shareholders a continued increase in share price. This would then come back to increase the REIT's dividend as well.




T data by YCharts

## Telus

Another great option for that extra cash is **TELUS Corporation** (TSX:T)(NYSE:TU). The telecom giant has a customer base that has grown significantly since the millennium, and as it has grown, as has its balance sheet and dividend.

Net income has averaged $1.46 billion annually in the last three years, with the current dividend yield sitting at 4.5%. The company plans to continue growing the dividend by 7-10% per year through the rest of 2019. It's this long history of solid growth and a growing dividend that makes the stock a pretty low risk option for your investment.

Since the beginning of the year, Telus has increased its share price by an impressive 30%, where it's now been stable at around $50 per share. Long-term growth should continue for this fast-growing telecom company that's already seen a 10-year return of almost 250%, with 5G coverage and industryleading technology providing a path to more returns.

## Foolish takeaway

Given that both of these companies have such a stable history, it’s conservative to think that a $5,000 investment today would be worth about $7,000 in just five years. As well, you’ll receive an annual dividend of about $165 to reinvest, putting that total to $7,825 in five years’ time. That’s almost $3,000 profit in only five years.

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2. TSX:IIP.UN (InterRent Real Estate Investment Trust)
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