2 Top Dividends Stocks TFSA Investors Are Banking on Right Now

Description

Canadian investors are always looking for top stocks that will provide them with incredible growth in their portfolios. That growth is important, but it shouldn't be the only factor that you consider as an investor.

In fact, many investors look at a different consideration before buying up a stock: dividends. Dividends can provide investors with passive income for decades, if chosen wisely. Better still, if you're an investor using a Tax-Free Savings Account (TFSA), all that passive income goes straight into your pocket. Not one penny of taxes is sent to the government.

Whether you're setting up a passive-income portfolio or just looking for some supplemental income, investors should look for strong companies with strong historical performance, a consistent history of payouts, and a solid future outlook that will continue paying out those dividends.

That's why today I'll be taking you through **Crombie Real Estate Investment Trust** (TSX:CRR.UN) and **Enbridge Inc.** (TSX:ENB)(NYSE:ENB).

Crombie

Crombie REIT has a few things going for it. First off: it's an REIT. REITs have some of the strongest dividend yields out there, and among those REITs, Crombie is a leader. Crombie is the owner of 288 properties across Canada with an impressive 96% occupancy. Those properties are mainly grocery stores, but the company is now expanding into the residential business.

Crombie is in the midst of a redevelopment plan that should send share prices soaring as soon as rents start flooding in. The company is building apartments or condos above the grocery stores they own, providing a means of charging higher rents when the project is complete in the next two-and-a-half years. When all is said and done, net asset value should grow by 75%.

Needless to say, with its current strength and future outlook, its dividend is certainly safe. At 5.74%, it isn't a modest dividend either, providing investors with $0.89 per year per share, or $0.742 per month.

That makes an investment of $10,000 worth $576 annually in passive income.

Enbridge

Another strong dividend stock that's currently trading at bargain-basement prices is Enbridge. With the oil and gas industry and Minnesota court keeping the stock price down, investors have an opportunity to buy this great dividend stock at a discount of around 35%.

The reason investors should want to buy up all the Enbridge stock they can is due to the company's long-term outlook. The company is underpinned by long-term contracts for decades of cash flow income. As well, Enbridge is going through a period of growth, with $16 billion worth of projects set to come online by 2021. Once they are complete, shares should soar.

Even if they don't, however, investors will continue to see share prices and the company's dividend yield increase for decades to come. With cash flow well in hand for the next few decades, the firm has enough to cover a dividend yield for the foreseeable future. At 6.38%, a $10,000 investment would give you about $640 of annual passive income.

Foolish takeaway

While it's important to find stocks with solid growth ahead of them, I believe that Crombie and Enbridge offer investors an opportunity to see both solid growth in share price and dividend yield for years to come. Both are set to soar with upcoming projects coming online in the next few years.

In the meantime, each has a dividend yield that will continue to be supported by free cash flow for the foreseeable future. Combined, a $20,000 investment would bring in $1,216 of annual passive income.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:CRR.UN (Crombie Real Estate Investment Trust)
3. TSX:ENB (Enbridge Inc.)

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