2 TSX Dividend Stocks to Buy Now!

Description

Well-diversified portfolios that are assembled for long-term investing would be incomplete without dividend stocks.

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Dividend stocks play a big role in your portfolio over the long term. Whether you buy a higher-yield dividend stock or more of a dividend growth stock, these businesses are crucial to help you compound your portfolio.

This year, though, the pandemic has changed a lot about our investing environment. Some high-quality dividend stocks of the past have been severely impacted. So it's on investors to do their research and make sure the stocks you choose can continue to offer resilient passive income streams.

Here are two of the top **TSX** dividend stocks for investors who want to buy now.

Real estate dividend stocks

Heading into 2020, most investors knew that real estate was more of a defensive industry. Furthermore, it was one of the best industries if you're looking for a dividend stock.

Residential real estate is quite often considered the most defensive industry you can invest in. This is because people will pay their rent before they pay almost any other bills.

However, other portions of the real estate sector, while not as defensive as residential, have always offered a safe place for investors to store their capital.

That was until the coronavirus pandemic changed everything. Since the start of the pandemic, retail real estate especially has been underperforming. With so many stores forced to close or move their operations online, retail real estate businesses have seen third-party risk increase dramatically.

The Canadian government has stepped up and offered subsidies to businesses needing to pay rent. And while this has helped ease the blow for the real estate sector, there are still several risks that remain.

However, one retail real estate stock you can buy today that you don't have to worry about is **CT REIT** (TSX:CRT.UN).

Retail REIT

CT REIT is an ideal dividend stock as it offers safe and consistent income with the long-term potential of more growth. That's why it's one of the top dividend aristocrat stocks on the TSX.

The reason CT REIT is so safe compared to its peers is that 92% of its rent comes from **Canadian Tire Corp**. Having so much revenue from one company can be a risk. However, because Canadian Tire is such a strong company and one of the least impacted retail businesses in Canada, through the pandemic, this has proven to be a benefit for CT REIT.

In fact, CT REIT is in such a strong position at this point in the pandemic that it's already resumed acquisitions. This is promising from the dividend stock to add more growth potential. Plus, in addition to that acquisition, CT REIT also has a robust development pipeline.

Investors can gain exposure today at a nearly 20% discount from its 52-week high. Between that and its 5.7% yield, CT REIT is one of the most attractive dividend stocks you can buy today.

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TSX utility stock

The Dividend Aristocrats on the **TSX** are some of the best dividend stocks you can buy, as we saw with CT REIT. One stock that's one of the oldest Dividend Aristocrats in Canada is **Fortis Inc** (TSX:FTS)(NYSE:FTS).

Fortis has increased its dividend for 48 consecutive years. It's the perfect dividend stock to buy and forget about. Not only will it continue to provide you with stable passive income, but that passive income will continue to grow each year.

The reason Fortis has such a stable dividend is because utility stocks are extremely low risk. The company's services are essential and are regulated by governments, which makes utility stocks some of the top businesses that investors can own, especially in market environments like we're seeing today. In addition to being in a low-risk industry, Fortis is also well diversified, with no segment earning more than 33% of income.

The growth will come from several investments Fortis is making in a massive five-year capital plan. These will help position Fortis for the future and ensure continued dividend growth for years to come.

Because the dividend stock is such a low-risk investment, the dividend yields significantly less than CT REIT at just 3.85%. However, with its long-term growth potential and ability to protect your capital, Fortis is the perfect core stock for your portfolio.

CATEGORY

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2. Investing

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2. TSX:CRT.UN (CT Real Estate Investment Trust)
3. TSX:FTS (Fortis Inc.)

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