



Steady Income: 2 TSX Stocks With Safe Yields

Description

When searching for stocks that can potentially generate steady income, there is no shortage of options. That is, there are plenty of blue-chip stocks touting big yields.

However, an investor seeking solid [passive-income](#) must choose stocks carefully. This is especially important given the current economic conditions.

To generate a steady income from a stock, that stock must be paying a juicy but [stable dividend](#). As such, it's vital for investors to make sure they're finding stocks with financially sustainable dividends.

After all, a huge yield won't help create long-term income if it's due for a severe cut. So, investors might want to avoid stocks that appear to be over-promising on dividends.

Today, we'll look at two TSX stocks with safe yields that can help generate steady income for investors.

Choice Properties

Choice Properties REIT ([TSX:CHP.UN](#)) is one of Canada's largest REITs and specializes in retail properties. As of this writing, it's trading at \$13.57 and yielding 5.46%.

While those seeking steady income can appreciate the size of the yield, some may wonder if it's the right time for a REIT investment.

In general, it's true that REITs are in a bit of tough spot right now. There's been somewhat of an exodus of businesses in strip malls and work-from-home initiatives might be more permanent than initially thought.

However, Choice is unlike the typical REIT. It has a strategic partnership with its main tenant, Canada's largest grocer **Loblaws**.

As such, it offers much more stability than its peers, and that's been showcased over this past year. It

hasn't been rocked nearly as hard as other Canadian REITs.

In fact, while most of its peers are sporting beta values above one and payout ratios well above 100%, Choice carries a beta of 0.44 and a payout ratio of around 37%.

This lends credence to its stability and the fact its juicy 5.46% yield is easily sustainable going forward. If you're looking for a REIT that can generate steady income, this is one worth checking out.

Scotiabank

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is a multinational Canadian banking giant offering a diverse set of financial products and services.

Typically, bank stocks are solid picks for generating steady income. As well, BNS has a proven track record for consistent growth over time.

Moreover, this TSX giant hasn't missed a dividend payment in over 180 years. So, concerns of stability should be calmed, despite today's unique challenges.

As of this writing, this steady income star is trading at \$63.02 and yielding 5.71%. Usually when a blue-chip bank stock is yielding near 6%, it's a good idea for investors to take note.

With a payout ratio of 64%, the sustainability of that dividend shouldn't be in question. BNS also has plenty of cushion financially and strong prospects for growth in the future.

If you're looking for a bank stock that's got a massive but reliable dividend, BNS is definitely a name worth keeping tabs on. It's proven to be a steady income star over time for Canadians.

Steady income strategy

These two TSX stocks both offer investors an avenue for generating steady income. Their yields are sitting at attractive levels, but, more importantly, they are sustainable.

If you're looking to build some solid passive income, be sure to keep an eye on these stocks.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)

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