
Safe Dividends: 2 Stars With Rock-Solid Yields

### Description

Canadians looking to boost their passive income or invest for the long term are always searching for safe dividends. Blue-chip stocks with reliable dividends can be the backbone of a successful passive-income strategy.



However, many stocks are facing unique challenges this year. As such, we've seen some stocks drastically cut their dividends recently.

Of course, an income-focused investor would mostly want to avoid stocks with at-risk dividends. So, they would need to seek out stocks that have the resiliency to provide reliable dividends, even in today's economy.

Today, we'll look at two TSX stocks with safe dividends. Now, investors can definitely find higher yields elsewhere, but typically those yields are the ones in peril.

## Scotiabank

**Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) is a major Canadian bank with strong multinational operations. It provides an assorted variety of financial products and services to its customers across many countries.

Of course, it would be difficult to discuss safe dividends without touching on at least one Canadian bank. BNS has a phenomenal track record when it comes to paying and growing its dividend.

In fact, it hasn't missed a dividend payment since it began paying one out in 1832. That's a remarkable accomplishment by any metric.

Plus, despite a rough year this year, there are no warning signs to suggest that would change in the future. The long-term outlook for BNS is still largely positive, with international expansion being a potentially huge driver for future growth.

Further, the stock's payout ratio sits at only 64.06%. This is roughly around the typical range for a bank stock, albeit a tad bit higher. Either way, this dividend is certainly not at risk for a cut in the short term.

As of this writing, BNS is trading at $63.16 and yielding 5.70%. When you can get a safe dividend near 6% attached to a blue-chip giant like BNS, it's usually time to take note.

## Choice

**Choice Properties REIT** (TSX:CHP.UN) is a large Canadian REIT specializing in retail properties across the country. Despite some ups and downs this year, it's practically back to trading at prices it started the year at.

Now, especially in today's economic environment, many investors wouldn't associate safe dividends with a retail REIT. However, the way this REIT is structured helps it deliver a rock-solid dividend.

More specifically, this REIT's main tenant at its locations is grocery giant **Loblaw**. The massive Canadian retailer anchors this REIT's retail properties, and as such this arguably one of the most stable REITs.



To demonstrate, most REITs on the TSX have a beta exceeding one, while Choice's sits at 0.44. This means it tends to be less sensitive to market movements.

Plus, a lot of its peers are sporting payout ratios well above 100% as of this writing, while Choice is coming in with a mere 37.62% ratio. This suggests its yield is incredibly safe, no doubt due to its reliable main tenant.

As of this writing, this REIT is trading at $13.42 and yielding 5.51%. Considering this is a very safe dividend, especially compared other REITs, those seeking passive income might be interested in Choice.

## Safe dividend investing

Investing in stocks with reliable dividends is a proven method for long-term results. Both these TSX stars offer investors decent value with rock-solid dividends.

If you're looking for a way to generate some safe passive income, these stocks should be given good consideration.

**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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