



## Almost Ready to Retire? 4 Canadian Dividend Stocks to Buy for Big Passive Income

### Description

The COVID-19 crisis has derailed the retirement plans of many Canadians. If you're still in good shape, there are ways to get back on track, especially with discounted dividend stocks that are still abundant on the **TSX Index**. Sure, the stock market has recovered, and the biggest of bargains are gone. However, that does not mean you can no longer get more dividend (or distribution) yield for less, especially in some of the harder-hit areas of the market.

COVID-19 is still weighing heavily on many securities, with yields skewed heavily towards the higher end. Such bruised plays, I believe, are great ways to give your passive income fund a boost ahead of a significant [recovery](#).

Without further ado, consider **Inovalis REIT** ([TSX:INO.UN](#)), **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), **SmartCentres REIT** ([TSX:SRU.UN](#)), and **Canadian Western Bank** ([TSX:CWB](#)), which currently sport yields of 8.8%, 7.6%, 7.4%, and 4%, respectively.

### Inovalis REIT

While Inovalis REIT has the highest yield on this list, its distribution isn't necessarily the most at risk. Why? The French- and German-focused office REIT has a high yield by design. In the normalized pre-pandemic environment, the yield hovered just shy of the 8% mark. As such, the colossal magnitude of the distribution doesn't tell the full story.

Yes, Inovalis is an office REIT play, but I think it's one of the better-managed ones out there. With a juicy distribution that's safer than most think, I think retirees looking for more yield can comfortably nibble on a few shares while they're still modestly discounted.

### Enbridge

Enbridge is a former market darling that's fallen drastically out of favour. As shares tumbled, the

dividend yield swelled by a proportional amount. The shareholder-friendly management team kept the dividend intact, and it'll probably continue to do so despite pressures. There's no denying the headwinds faced by the pipeline kingpin, but if you've got a long-term horizon, Enbridge is worth hanging onto, as headwinds will eventually fade in due time.

The juicy dividend is more than enough incentive to stick around. While management may not have earned the right to hike its dividend through these unprecedented times, I wouldn't be surprised if they do on the other side of this pandemic.

## SmartCentres REIT

SmartCentres is a terrific REIT worth loading up on at current levels. The retail REIT behind popular Canadian **Wal-Mart**-anchored strip malls has held its own through the worst of this pandemic, and I expect more of the same should variants of concern spark another round of full lockdowns.

Smart houses many other essential tenants such that I feel secure about the safety of its payout. While the payout is stretched, I think it won't be stretched to its breaking point for the duration of this pandemic. With a promising long-term initiative to diversify into mixed-use properties, Smart has a lot going for it, and its distribution is worth picking at today's levels.

## Canadian Western Bank

Canadian Western Bank is a regional bank (primarily regional to western Canada, as you may have guessed) that could have room to run versus its peers in the Big Six. The bank has a greater slice of exposure to the ailing province of Alberta, which is poised to have a heavy weight lifted off its shoulders in 2021.

West Texas Intermediate (WTI) prices are recovering nicely, surpassing the US\$60 mark recently, as I predicted last year. I think prices can break US\$65 and remain above the key level as post-pandemic demand bounces back. Canadian Western Bank is a well-capitalized way to play Alberta's recovery without betting on individual fossil fuel plays themselves.

Moreover, the bank is poised to become less regional by the year, as it looks to expand east. The stock trades at 10.1 times trailing earnings, which is [ridiculously cheap](#) given the recovery trajectory.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:CWB (Canadian Western Bank)
3. TSX:ENB (Enbridge Inc.)
4. TSX:INO.UN (Inovalis Real Estate Investment Trust)
5. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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