3 Dividend Stocks to Start Your Passive-Income Empire

Description

Last summer, I'd discussed how millennials could seek to generate tax-free income on a monthly basis. There are many ways to generate passive-income in this evolving economy. Fortunately, dividend stocks offer a simplified route that also allows investors to pursue this strategy in a Tax-Free Savings Account (TFSA). That means you will not have to pay tax on your passive-income gains. Today, I want to look at three dividend stocks that offer strong monthly income. Let's dive in.

This dividend stock is the perfect hold during the pandemic

NorthWest Healthcare Properties REIT (TSX:NWH.UN) is one of my favourite REITs on the **TSX** right now. The REIT provides investors with access to a portfolio of high-quality real estate around the world. Its shares have climbed 4.3% in 2021 as of early afternoon trading on March 11. Investors should expect to see its final batch of 2020 results any day now.

The REIT provided an update on its recent operational, transactional, and corporate initiatives on February 16. In 2020, the REIT acquired a $620 million portfolio of 10 high quality private hospitals in the United Kingdom. Since the start of the COVID-19 pandemic, the U.K. portfolio has performed as expected and achieved 100% rent collection.

Shares of this dividend stock last had a favourable price-to-earnings ratio of 15. NorthWest offers a monthly dividend of $0.067 per share, which represents a tasty 6.2% yield. This top dividend stock is a perfect stash for those seeking passive income.

Another stock perfect for your passive income empire during this crisis

Extendicare (TSX:EXE) is another healthcare stock I'd recommended investors target during the pandemic. Its shares have climbed 10% in 2021 so far. The dividend stock is up 6.2% from the prior year.

This company released its fourth-quarter and full-year 2020 results on February 25. Revenue rose nearly 11% year-over-year to $307 million. It benefited in part from a significant increase in COVID-19 funding and long-term care funding enhancements. Meanwhile, adjusted EBITDA increased $17.5 million from the prior year to $41.0 million. Adjusted EBITDA rose $40.8 million year-over-year to $133 million for the full year.

Extendicare offers a monthly distribution of $0.04 per share, which represents an attractive 6.7% yield. The dividend stock possesses a positive P/E ratio of 14. This dividend stock is a worthy target for passive-income investors.

One more dividend stock to snag right now

Keyera (TSX:KEY) is the last dividend stock I want to target for passive income investors today. The Calgary-based company is one of the largest midstream oil and gas operators in the country. Its shares have increased 19% in 2021 so far. Oil and gas prices have risen steadily as the global economy rebounds. Canadians should target energy stocks in this environment.

In Q4 2020, Keyera saw adjusted EBITDA drop 7% from the prior year to $168 million. Net earnings fell to $62 million for the full year – down from $444 million in 2019. However, it should benefit from rising oil and gas prices moving forward.

Keyera currently offers a monthly dividend of $0.16 per share, which represents a big 7% yield. Passive income investors should scoop up this promising oil-focused dividend stock today.

CATEGORY

1. Investing

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1. TSX:EXE (Extendicare Inc.)
2. TSX:KEY (Keyera Corp.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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