Dividend Investors: 2 TSX Names to Watch

Description

Picking up stocks with solid yields is a proven way to generate a passive income stream. Fortunately for dividend investors, the **TSX** is home to plenty of these stocks.

However, while many Canadian blue-chip stocks offer appealing dividends, it's important to be careful. That's because some stocks offering outsized yields can't sustain them.

It's typically not advisable to chase after extraordinarily high yields. Specifically, those offered from stocks that may have trouble maintaining them.

Instead, dividend investors must strike the right balance between dividend size, growth, and sustainability. Everyone has different tolerance levels of course, but there will be some options that are generally favourable to others.

Today, we'll look at two TSX blue-chip stocks that investors might be interested in for passive income.

TD Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is one of the largest Canadian banks, and is a top 10 bank in the U.S. as well.

Dividend investors have long been fans of the Canadian banks — and for good reason. These blue-chip superstars offer attractive dividends with sustainable growth and reasonable share price upside.

For a dividend investor seeking reliability, TD makes a great choice. It has a long track record for paying and increasing its dividend over time.

TD has a wide moat of revenue source that allow it to offer value to investors. Over time, its diverse mix of operations can contribute to a solid income plan for dividend investors.

As of this writing, the banking giant is trading at $82.13 and yielding 3.85%. While that's not exactly an eye-popping yield, it's right in line with TD's recent historical averages.

With many stocks consistently hitting new highs these days, that's a decent figure to capture. Dividend investors would be hard pressed to find many stocks that have all the perks of TD.

Over time, that yield could offer a substantial amount of passive income. Or, if it's re-invested instead, compound growth could see total returns skyrocket for investors.

If you're looking to add a banking star to your dividend strategy, be sure to give TD a look. Its diverse mix of assets and U.S. exposure give it stability and room to prosper going forward.

Choice Properties

Choice Properties REIT (TSX:CHP.UN) is a large Canadian REIT with a solid portfolio of income-generating properties.

Choice is a retail-focused REIT, which might sound like a bad place to have exposure to right now for dividend investors. There's no doubt retail has been hit hard recently.

However, the specific details of Choice's portfolio make it a tad different from traditional retail REITs — that is, the majority of its properties are anchored by its strategic partner, grocery giant **Loblaw**.

That means that Choice has core tenant agreement with one of the most stable and robust retail businesses in the country. Loblaw performed quite well during a long stretch in 2020 where other stocks got hammered.

It's still a REIT, which comes with its own pros and cons. However, it's actually a very stable REIT considering its focus is on retail.

Dividend investors looking to scoop up shares of a REIT but not looking to give up much in the way of reliability might want to take a look at CHP.UN.

Dividend investor plan

Both these stocks offer something to a dividend investor's strategy in different ways. Income seekers should be sure to give these names a closer look, as they are attractive options.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
3. TSX:TD (The Toronto-Dominion Bank)

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