# TFSA Investors: Lock In a 5% Yield With 3 Sturdy Dividend Stocks

## Description

Dividend stocks are usually considered one of the best ways to start a passive-income stream, especially for beginner investors or retail investors that don't prefer taking an active part in their portfolio management and *create* an income by systematically selling stocks. A dividend-based passive income is not just convenient; it's also significantly more reliable *if* you've chosen the right dividend stocks.



For TFSA investors, **Crombie REIT** (TSX:CRR.UN), **Capital Power** (TSX:CPX), and **Exchange Income** (TSX:EIF) are three sturdy dividend studs worth considering for a tax-free passive income.

## A REIT

If you trace back its roots, Crombie is one of the oldest REITs in the country. It started out as a subsidiary of Sobeys in 1964. From the beginning, the company's focus has been on commercial properties — specifically, shopping centres. Now, the company has a diverse portfolio of 284 properties with seven different property types, including residential. Still, the bulk of the portfolio consists of freestanding retail properties (138 properties) and retail plazas (86 properties).

Crombie hasn't been much of a growth stock, historically speaking, but it has been growing at a decent pace ever since the 2020 crash. It has grown about 37% in the last 12 months. But the main reason to consider Crombie for your TFSA is its juicy 5.2% yield. The payout ratio of the REIT has been unstable for the last five years, but the company has sustained its dividends anyway.

## A power-generation company

Capital Power is an independent, wholesale power-generation company. It's headquartered in Edmonton but has 26 different power-generation facilities across the country, with a total production capacity of 6,400 MW. It has a decent mix of power generation plants, including waste gas, landfill gas, and solar energy, but most of the facilities operating under capital powers are wind and natural gas.

The company has been steadily growing its revenue and net income for the last five years. It has a solid balance sheet and a decent capital growth history. The company grew its market value by about 111% in the last five years. But the two more compelling reasons to consider this stock for your TFSA are its status as a Dividend Aristocrat (with a dividend-growth streak of six years) and a yield of 5%.

## An aviation-focused acquisition company

Exchange Income has a diversified portfolio of aerospace and aviation-related businesses. This was one of the main reasons the share price dropped over 60% during the market crash. But unlike airlines and other businesses and associated industries, EIF has recovered quite a bit, and it's currently trading at a price just 13% down from its pre-pandemic peak.

EIF's recovery and capital growth prospects are worth considering, but this Aristocrat of 10 years is considered more for its generous 5.8% yield.

## Foolish takeaway

The three dividend studs can help you generate a sizeable passive income (depending on how much capital you invest). The companies are reliable and have strong positions in their respective industries. Two of them are Aristocrats, so they are unlikely to slash their dividends and tarnish their stellar dividend history.



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2. TSX:CRR.UN (Crombie Real Estate Investment Trust)
3. TSX:EIF (Exchange Income Corporation)

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