2 TSX Top Picks for Colossal Passive Income

Description

Affordable passive-income options are quite abundant on the **TSX Index** these days. Many such names stand to benefit from the economic reopening profoundly. Yet their share prices haven't fully reflected the potential boom and recovery that could be on the horizon. Indeed, investors have the right to be jittery over new variants of COVID-19 that could threaten to send us back into lockdown.

As more people get the shot (some immunocompromised people will be getting third jabs soon), future waves of COVID-19 could stand to be far less disruptive — at least from an economic perspective. Undoubtedly, the pandemic still comes with an unfathomably high magnitude of uncertainty. Still, the pandemic will eventually go endemic. And as we learn to live with the insidious coronavirus and its variants, I believe we'll witness a continued, albeit slow and steady, return to normalcy.

The return to normalcy won't be even. While some industries may return to (or exceed) pre-pandemic levels of business, some, like business travel, may take years, if not decades, to return to 2019 levels. Undoubtedly, people like working from home, and many will never go back to the office again.

On the flip side, people still love going out to eat. Ordering in is convenient and all that. But at the end of the day, eating in restaurants and enjoying concerts are indeed social experiences. And after a year and a half of lockdowns and quarantines, many of us long for a hint of pre-pandemic levels of normality.

In this piece, we'll have a closer look at two solid income payers that could continue to see business recover as the pandemic goes endemic.

Boston Pizza Royalties Income Fund

Boston Pizza Royalties Income Fund (TSX:BPF.UN) is the Canadian pizza restaurant we all know and love. We all miss their pizza, pasta, and dining in at their lively restaurants with friends and family. Shares of Jim Treveling's company suffered one of their worst plunges last year, but they've steadily come climbing back since the ominous bottom put in last year.

Amid reopenings, shares of Boston Pizza are right back to where they were before the 2020 market crash. Undoubtedly, things have been bouncing back in a big way. With new product offerings (like the gouda ravioli) to look forward to, I think the firm is in a great spot to profit from a continued recovery in casual dining.

Shares sport a 5.5% yield, which is slightly stretched but likely incredibly safe, given the recovery on the horizon.

Restaurant Brands International

Restaurant Brands International (TSX:QSR)(NYSE:QSR) is a truly a king among men in the Canadian restaurant scene. The firm behind Tim Hortons, Burger King, and Popeyes Louisiana Kitchen is innovating, and it's poised to innovate its way out of this crisis. As the pandemic winds down, the potential upside could be enormous, as fast-food investors finally give the lagging quick-serve play some love over QSR's top-performing but more expensive peers in the space.

The 3.3% yield is as juicy as a whopper. But don't expect it to stay this high, as QSR is still very much a growth stock. To be specific, it's a defensive growth stock, which is a rare breed on the TSX that I think is worthy of a premium. Today, that premium doesn't exist — at least not in my books. So, it's time to back up the truck before the pandemic ends.

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