Passive Income: 4 Cheap Stocks to Buy for Decades of Dividends

Description

The market continues to rebound, with the **TSX** today up 23% in the last year alone. Since the market crash, it's risen about 75% to reach all-time highs! Yet there are many investors who continue looking for a chance at growth stocks. It's created a volatile situation, and I would recommend finding passive income through cheap stocks. There are still plenty available for Motley Fool investors. Let's look at four I would consider right now.

TD

Let's say you're a Motley Fool investor looking for growth stocks, and you need convincing to buy cheap, passive-income stocks. I would you consider **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD). TD stock is set for major growth in the decades to come. The Big Six bank continues to expand not just physically but by diversifying. It's taken on credit cards, increased its online presence, and gotten into more lucrative revenue streams.

Shares of TD stock are up 19% year to date, and even after stellar earnings, the company is a steal. Motley Fool investors can pick up this top stock with a P/E ratio of 9.81. Add to that passive income with a yield at 3.79%, and this is a winner for any portfolio.

Alaris

Alaris (TSX:AD.UN) was recently touted as a top dividend stock to hold. The equity firm targets 22% for its rate of return, and yet, year to date, it's up 28% with more likely on the way! In fact, analysts believe this is one of the cheap stocks that could grow by 40% this year, reaching a potential upside of a further 23% on average.

And yet it's one of the best stocks for Motley Fool investors to buy looking for passive income. On the TSX today, you can pick it up at a P/E ratio of just 6.73%! On top of that, it boasts an incredible 6.66% dividend yield as of writing! And that yield was just boosted by 6.5% for investors picking up this stock.

Allied Properties

If you want passive income, you're bound to look at real estate investment trusts. One of the best to dig into these days is **Allied Properties REIT** (TSX:AP.UN). This company buys up industrial properties in urban centres, fixing them up for office and tech space. And it seems to be working, with net income up 6% during its latest quarter results year over year, and adjusted EBITDA up 6.8%.

Yet the company is one of the cheap stocks to buy with this pandemic rebound on the way with a P/E ratio of 16.63. It's not in value territory but is certainly affordable — especially as shares have grown 18% year to date. And, of course, you get a 3.9% dividend yield for passive income to boot.

Dexterra

Finally, for investors seeking organic growth while also taking on passive income, I'd recommend **Dexterra Group** (TSX:DXT). Analysts project the company to increase its top-line growth out of the pandemic by 20-30%. And that's *not* including any further announced acquisitions. As further support is needed in the commodity industries such as oil, gas, and mining, Dexterra is set to see a massive increase out of the pandemic.

Revenue could almost double in 2021 and beyond that in 2022, yet it remains one of the cheap stocks on the TSX today with a P/E ratio of 18.34. Shares are up 26% year to date, with the potential for an average upside of 14% in the year to come. And, of course, you can take on even more passive income with a yield at 4.42% as of writing.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:AD.UN (Alaris Equity Partners Income Trust)
3. TSX:AP.UN (Allied Properties Real Estate Investment Trust)
4. TSX:DXT (Dexterra Group Inc.)
5. TSX:TD (The Toronto-Dominion Bank)

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Author
alegatewolfe