



Top 3 Passive-Income Stocks to Buy Today

Description

Earning passive income from dividend stocks can be a laid-back way of creating wealth. Here are the top three dividend stocks you can consider buying for passive income.

Get awesome passive income from Enbridge stock

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) stock is an indisputable top idea for passive income today. It is a large company and a leader in the energy infrastructure space with a solid balance sheet. Moreover, it is a Canadian Dividend Aristocrat that has a track record of increasing its dividend for 25 consecutive years. (And it has paid dividends for many more years than that.)

The company has substantially completed the Line 3 Replacement Project and expects it to be in service starting tomorrow. The project consists of 1,765 km of replacement pipeline that reliably delivers crude oil from Edmonton, Alberta to Superior, Wisconsin.

Currently, Enbridge stock yields just over 6.5%, which is perfect for passive income. Its payout ratio this year is estimated to be about 69% of its distributable cash flow (DCF). Management anticipates its DCF per share will grow at a compound annual growth rate (CAGR) of 5-7% through 2023. This should allow it to grow its dividend safely at a CAGR of 3-5% in that period.

Gain peace of mind being invested in this utility

Brookfield Infrastructure Partners ([TSX:BIP.UN](#))([NYSE:BIP](#)) is a quality utility stock for passive income. Simply accumulate its shares over time to watch your passive income grow. The utility has also increased its cash distribution every year since it was spun off from **Brookfield Asset Management**.

One of its competitive advantages is being a global owner and operator across a diverse range of critical infrastructure assets. As a value investor, at any time, it's able to invest in the best bargains in a wide variety of assets, including utility, transport, midstream, and data infrastructure assets.

For example, along with its institutional partners, [BIP](#) acquired close to a 20% stake in **Inter Pipeline** stock at a basement price of approximately \$12 per share during the pandemic market crash. This has eventually led to the privatization of Inter Pipeline that's in progress.

BIP shares bought 10 years ago would be sitting on a yield on cost of more than 20% today! Imagine earning a +20% return on your investment every year!

Currently, the dividend stock yields almost 3.7%. Additionally, management aims to increase its cash distribution by 5-9% per year.

An interesting REIT for passive income

PRO Real Estate Investment Trust ([TSX:PRV.UN](#)), or PROREIT, could be an interesting buy for passive income. The real estate investment trust (REIT) internalized management and graduated to the **TSX** in 2019, which should be a plus for PROREIT.

At \$6.81 per unit at writing, PROREIT yields 6.6%. The diversified commercial REIT has a 107-property portfolio that's weighted towards industrial assets. Specifically, its portfolio is diversified across retail (about 30.4% of base rent), office (about 13.2%), and industrial properties (about 56.4%).

The company has found its niche in strong secondary markets focused on Quebec, Atlantic Canada, and Ontario, and with some exposure in Western Canada.

Other than having a decently high occupancy rate of 98.5% with a weighted average lease term of close to five years, management also highlighted that approximately 79% of its tenant base are national and government tenants. Together, they should provide stable rental income for the REIT.

The Foolish investor takeaway

The above [dividend stocks](#) are reasonably priced for passive income. If you like them, do more research to see if they can achieve your passive-income goals.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:ENB (Enbridge Inc.)

5. TSX:PRV.UN (Pro Real Estate Investment Trust)

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