



Nearing Retirement? 2 Top Dividend Stocks to Buy Now!

Description

If you are at or nearing retirement, having high-quality stocks in your portfolio that can earn you appealing passive income is crucial. This makes it highly important to find top dividend stocks to buy and hold through your golden years.

And while there are several high-quality dividend stocks in Canada, it's important to make sure that you choose the stocks wisely. In addition to ensuring your portfolio is diversified, it's also crucial to ensure it's positioned well for the macroeconomic environment.

For example, many expect interest rates to start rising over the next year, which could hurt some stocks. However, real interest rates are also still significantly negative today, meaning other stocks and industries, such as [real estate](#), continue to see significant advantages.

So if you're nearing retirement and looking to buy some of the top dividend stocks for your portfolio, here are two of the top stocks to consider.

A high-potential energy stock

If you're looking for an energy stock, especially to keep up with inflation and rising fuel prices, **Freehold Royalties** ([TSX:FRU](#)) is one of the best dividend stocks to buy today.

Energy stocks with exposure to commodities prices are generally riskier stocks. When commodities prices are falling, these stocks can see a significant downside in their share price. That's an important consideration if you're building a portfolio for retirement.

Freehold, though, is one of the best stocks to buy for this environment. It's a lower-risk stock than many other energy producers, but it still has exposure to increases in commodities prices. So when prices are rising, and inflation is significant, you can bet that Freehold is benefitting massively.

Year to date, it's earned investors a total return of 147%. Furthermore, over the last 12 months, investors have earned a total return of 192%. You might think that after an almost 200% gain in a year

that Freehold is overpriced. However, that's just how much its business has recovered thanks to a rise in energy prices and an increase in the volume being produced.

Plus, thanks to five separate increases to its monthly dividend over the last 12 months, it still offers an incredible yield of roughly 5.8% today.

So if you're nearing retirement and looking for a dividend stock that can offer significant potential as inflation is rising, Freehold is one of the top stocks to buy today.

A top dividend growth stock to buy for the long haul

Another high-potential dividend stock to buy as you approach retirement, or even long before, is **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)). CAPREIT is a leading residential real estate stock, which is why it's an incredible investment and one for investors of all ages.

The fund owns properties all across Canada in addition to owning assets in Europe. In total, CAPREIT has over 65,000 apartment suites or manufactured home community sites.

At just over 2.4%, CAPREIT doesn't offer the most significant dividend yield. However, it's an incredible growth stock and investment that you can have a lot of confidence in owning long-term.

One major reason why the dividend isn't more significant is that the fund uses that capital to continue investing in growth, which has worked out very well for investors. Over the last 10 years, CAPREIT has earned investors a total return of roughly 320%, a [compound annual growth rate](#) of more than 15%.

While CAPREIT may not be the biggest contributor to your passive income, it should be one of your best perennial growth stocks that continues to grow in value over the long run. Real estate, especially residential, is one of the most popular industries to invest in for a reason.

And with a massive, diversified portfolio and high-quality professional management team doing all the work for you, CAPREIT is certainly one of the top long-term dividend stocks to buy for retirement.

CATEGORY

1. Dividend Stocks

TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSX:FRU (Freehold Royalties Ltd.)

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