



Passive Income: 3 Canadian Stocks That Cut You a Cheque Every Month

Description

Investing is attractive for several reasons. It's why we all live below our means to save up cash and build a nest egg that can eventually go to work for us. But one of the most appealing aspects of investing is when you find Canadian stocks that return passive income.

The majority of investors that invest their money are looking to make significant capital gains, and that's understandable. There is a ton of potential to find high-quality stocks like **Shopify** early on and earn a massive return as a result.

However, this style in general is riskier, and should the market trade flat for prolonged periods, you could see minimal or even no gains in value. This is why it's crucial that your investments are also returning passive income to you. And while most stocks pay you each quarter, some pay you monthly.

So, if you're looking to boost your passive income or just add some high-quality Canadian dividend stocks to your portfolio, here are three that will cut you a cheque each month.

An excellent long-term renewable energy stock

One long-term growth industry you certainly want exposure to is green energy, and while there are several attractive stocks in the space, **Northland Power** ([TSX:NPI](#)) is one of the best.

Northland owns a portfolio of assets in Canada, Europe, and South America. In the past, it's been a top performer, growing its operations and stock price quite considerably. From 2014 to 2020, Northland grew its adjusted [EBITDA](#) at a compounded annual growth rate of more than 20%. However, its current growth strategy is even more attractive and makes it an excellent investment to buy and hold long term.

So, in addition to the highly robust passive income you receive each month from its dividend, which currently yields over 3.1%, you can also expect some considerable capital gains potential over the long run, as it continues to find value-accretive acquisitions and invests in organic growth projects, as the industry becomes more important to our everyday lives.

Right now, the stock trades more than 25% off its all-time high, offering an excellent discount. If you're looking to buy a high-quality, monthly dividend stock and improve your passive-income stream, Northland is an excellent choice.

A top residential real estate stock

Many Canadian REITs also pay monthly dividends, but one of the very best has to be **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)). CAPREIT owns a massive portfolio of residential real estate assets, making it one of the best passive real estate investments you can make.

Residential real estate is already highly defensive, but the portfolio is also highly diversified and run by a professional management team.

This is why CAPREIT is one of the best [dividend stocks](#) to buy now. Over the long run, you can expect the value of your investment to grow significantly. But in the meantime, you can expect your passive income to grow each year.

Over the last decade, investors in CAPREIT have earned a total return north of 300%. So, if you're a dividend investor looking for a high-quality Canadian stock to buy today, CAPREIT is one of the best.

A restaurant royalty stock that's made for passive-income seekers

Lastly, one of the top Canadian stocks for dividend investors is **Pizza Pizza Royalty** ([TSX:PZA](#)). The company receives a royalty on all the sales that each of its locations across Canada does.

The dividend stock is consistently bringing in cash with only minor administrative expenses and taxes to pay. Over the last four quarters, Pizza Pizza's net income has been more than 75% of the revenue it's brought in.

This allows it to pay out almost all of its income to investors monthly, which is why it's such a popular stock for investors looking to boost their passive income.

Plus, of the three stocks on the list, it has the highest yield by far at more than 6%. So, if you're looking for a high-yield stock that pays you monthly, Pizza Pizza is one of the best there is.

CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSX:NPI (Northland Power Inc.)
3. TSX:PZA (Pizza Pizza Royalty Corp.)

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