



2 Passive Income Stocks With Stellar Dividends

Description

Dividend investing is an effortless way to [create passive income](#). The free cash you'll use to purchase dividend stocks will earn continuously without constant monitoring. Yields vary, although some stocks stand out because of stellar dividends.

For 2022, **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) and **Automotive Properties** ([TSX:APR.UN](#)) are excellent choices. The energy stock is a [Dividend Aristocrat](#), while the real estate investment trust (REIT) is a unique real estate asset class. Besides the higher-than-average yields, both stocks are outperforming amid the pandemic environment.

Money in your pocket every month

Pembina Pipeline is well-loved by many income investors because of the monthly payouts. The advantage is that capital compounds faster if you can reinvest dividends 12 times a year instead of the typical four. Also, you can pocket the money every month or include it in your monthly budget.

This \$21.21 billion energy infrastructure company has three core divisions that provide essential services in North America's midstream energy industry. The pipeline, facilities, and marketing & new ventures divisions fuel Pembina's rock-solid dividends.

The new ventures division takes care of advancing business opportunities in petrochemicals, liquefied natural gas (LNG), and low-carbon energy. It then integrates these opportunities into the core businesses to extend Pembina's value chain.

Since most cash flow comes from fee-based contracts, there's adequate liquidity to meet operating obligations, fund capital investments (short and long terms), and sustain dividend payments. After three quarters in 2021, Pembina's cash flow from operating activities reached \$1.95 billion, a 31% year-over-year increase.

In the nine months ended September 30, 2021, the top and bottom lines increased 42% and 29% versus the same period in 2020. Further business growth is on the horizon, given Pembina's strategic

partnerships. It will co-develop with TC Energy the Alberta Carbon Grid, a world-scale carbon transportation, and sequestration system.

Pembina will jointly develop the Cedar LNG Project with Haisla First Nation. The floating LNG facility will produce industry-leading low carbon, low-cost LNG for international markets. Current investors are up 35.99% year to date. The top-tier [energy stock](#) trades at \$38.54 per share and pays a 6.54% dividend.

Strong underlying fundamentals

Investors can gain exposure to an industry with strong underlying fundamentals through Automotive Properties. This \$538.13 million specialty REIT has a high-quality portfolio of automotive dealerships and original equipment manufacturer (OEM) properties (66 total).

The dealerships in metropolitan markets sell different brands. They cater to customers in the mass market, luxury, and ultra-luxury segments. Leasing activities have improved significantly, as evidenced by the 100% rent collections in Q3 2021 as well as November 2021.

Note that the REIT's business performance reflects in the stock's 36.56% year-to-date gain. In the nine months ended September 30, 2021, rental revenue and net operating income rose 4.29% and 5.8% versus the same period in 2020. Net income was topped \$75 million compared to the \$3.2 million net loss a year ago.

Because of the strong balance sheet position, management can pursue acquisition targets that fit its investment criteria. It will also enable Automotive Properties to diversify brands and expand geographically. The current share price is \$13.77, while the dividend yield is 5.84% if you want to take a position now.

Prevent erosion of purchasing power

Passive income from Pembina Pipeline and Automotive Properties can prevent the erosion of purchasing power due to rising inflation.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:APR.UN (Automotive Properties Real Estate Investment Trust)
3. TSX:PPL (Pembina Pipeline Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. cliew
2. gsmiley

Category

1. Dividend Stocks
2. Investing

Date

2025/07/20

Date Created

2021/12/28

Author

cliew

default watermark

default watermark