



## 2 Stocks to Generate a Handsome Passive Income

### Description

Investing in good [dividend stocks](#) could help you generate passive income without much effort. In the long run, fundamentally strong companies with proven financial track records tend to be more reliable for [passive-income investors](#). That's why it's always wise to pick your dividend stocks carefully. In this article, I'll highlight two such dividend stocks in Canada that could help you get handsome passive income.

### Emera stock

**Emera** ([TSX:EMA](#)) is my first pick on the list of dividend stocks in Canada to generate passive income. It's a Halifax-based energy services company with a market cap of about \$ 15.5 billion. EMA stock is currently trading at \$59.73 per share with about 5.5% year-to-date losses after rising by 17% last year.

Emera generates most of its revenue from the United States, followed by its home market. In Q3 2021, its adjusted earnings [increased](#) by 1.5% YoY (year over year) to \$0.68 per share, despite a 1.3% drop in its total revenue. While you may not find its recent financial growth trend very impressive, the company's strategic focus on transformation to low-carbon energy sources could help its business grow faster in the future. This could be one of the reasons why analysts expect the growth in Emera's top as well as the bottom line to significantly accelerate in the next couple of years.

Apart from its strong fundamentals, it also has a good track record of rewarding its investors with attractive dividends. To give you a quick example, Emera continued to increase its dividends even during the tough COVID-19 phase. Its stock currently has a solid dividend yield of 4.4%, which makes it worth considering for passive-income investors.

### Dream Industrial REIT stock

**Dream Industrial Real Estate Investment Trust** ([TSX:DIR.UN](#)) is the second dividend stock I would recommend to long-term investors seeking to generate good passive income. Its stock is currently trading with 5.2% year-to-date losses at \$16.33 per share. As the name suggests, it's a Toronto-based

industrial REIT with a market cap of about \$3.8 billion. Dream Industrial currently has a large portfolio of 221 industrial assets with about 39.8 million square feet of gross leasable area across North America. The company is also focusing on expanding its presence in the European industrial markets.

Interestingly, Dream Industrial REIT is one of a few Canadian stocks that have consistently yielded positive returns for the last six years. In addition, its solid dividend yield of 4.3% could help you generate reliable passive income.

In 2020 when most REITs saw a sudden decline in their total revenue due to pandemic-related restrictions, Dream Industrial posted a 21% YoY increase in its top line. In 2021, its revenue growth improved further amid reopening economies and easing restrictions. In the September quarter, the company reported 28.5% YoY positive revenue growth to \$75.8 million. While Dream Industrial REIT hasn't reported its Q4 results yet, analysts expect the company to post solid 83% YoY growth in its adjusted earnings to around \$2.16 per share. These growth expectations could help this passive-income stock surge.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:EMA (Emera Incorporated)

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