



Create Passive Income With These 3 Top Dividend Stocks

Description

A majority of investors will eventually reach a stage in their life where steady income will matter way more than sizzling growth. Accordingly, investors will see their investment approach change. Creating passive income via investing in [dividend-paying stocks](#) is certainly an excellent option. However, picking among the great options available right now may be daunting.

For those looking for top dividend stocks providing stable passive income over time, here are three great options to look at. Let's dive in.

Top passive-income stocks: Enbridge

North American midstream energy behemoth **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) has been a passive-income star for decades. This pipeline company has continued to provide a higher-than-average yield. Currently, the company's dividend yield comes in at a [whopping 6.5%](#). Sure, bond yields are rising. However, most investors don't expect to see blue-chip, fixed-income investments hit this threshold anytime soon.

Enbridge recently announced a 3% annual dividend hike, raising its yield further. While this increase may not seem exciting, it's meaningful. Enbridge has continued to return more capital to shareholders, despite focusing on reducing its debt load and investing in core projects substantially.

Over the long run, I expect this debt-reduction program and investments to generate higher cash flow, which will be distributed to investors. Thus, this is a top passive-income stock I remain very bullish on.

Dream Industrial REIT

One of the key sectors that passive-income investors look to is real estate. Among real estate investment trusts (REITs), **Dream Industrial REIT** ([TSX:DIR.UN](#)) continues to be a favourite of mine.

Why?

Well, this REIT focuses on the industrial real estate market. Industrial real estate generally refers to distribution centres, warehouses, and other industrial-related properties. Dream Industrial REIT features some of the market's best inventory that is rarely vacant and offers increasing income over time.

Those bullish on longer-term secular growth areas such as e-commerce have an indirect way to play this growth via industrial real estate. I expect logistics-related properties to continue to remain in high demand, particularly those that are located near city centres. Dream Industrial thus remains a top pick of mine for passive-income investors seeking a mix of growth and defensiveness.

Bank of Nova Scotia

Finally, for those seeking reliability and long-term upside with their passive-income holdings, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) remains a great pick.

This Toronto-based financial institution is one of the largest lenders in Canada, with a whopping market capitalization of \$110 billion. One of the Big Six Canadian banks, it has been paying shareholder dividends every year since 1833.

Though the financial sector may not offer the most lucrative wealth growth via capital gains, assets like BNS stock are dependable for those seeking dividends. An attractive attribute about this bank is that its international presence is simply monstrous. Scotiabank spreads risk across a large number of nations. This implies that if a particular region receives an economic beating, other areas of this bank's business can pick up the slack.

Any of these top dividend-paying stocks make attractive additions to a passive-income portfolio. Long-term investors looking for defensive income ought to dive into these top TSX stocks right now.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:DIR.UN (Dream Industrial REIT)
5. TSX:ENB (Enbridge Inc.)

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chrismacdonald

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