



2 Dividend Stocks to Buy for Passive-Income Growth Long Term

Description

Generating a passive-income stream or creating a retirement nest egg that continues to give back are what most investors are after when they allocate cash to [dividend](#) stocks in a measured approach.

Of course, finding high-quality dividend stocks to pour some cash into can reap excellent long-term rewards. However, there are many value traps out there with the potential to do the opposite.

For risk-averse investors, here are two of my top picks for those looking to boost their dividend income over time.

Top dividend stocks: Killam Apartment REIT

Real estate investment trusts (REITs) are among the best vehicles for long-term investors looking to gain long-term passive income. That's because these trusts are set up with the express purpose of returning the vast majority of their income to shareholders.

In the REIT space, Nova Scotia-based **Killam Apartment REIT** ([TSX:KMP.UN](#)) is a great pick. This REIT is one of the biggest residential landlords in Canada that owns, operates, and develops a portfolio of manufactured home communities and apartments. This portfolio is worth a whopping \$4.4 billion.

This REIT focuses on three priorities to enhance profitability and value. These include expanding its portfolio and diversifying geographically via accretive acquisitions, developing high-quality properties in core markets with an emphasis on newer properties, and increasing earnings from existing operations.

As per management, this growth-oriented REIT is well placed for long-term success. The company's CEO stated that Killam acquired around properties worth \$400 million, out of which \$311 million were for those outside Atlantic Canada. He further stated that this REIT looks forward to more lucrative growth opportunities this year through continuous organic results along with active development and acquisition pipelines.

Fortis

The utility behemoth **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is kind of immune to economic problems. This TSX stock hardly dipped during the 2020 market panic period. Indeed, for those seeking a stable, long-term dividend stock, Fortis is certainly a great option.

This utilities company owns power generation, electric transmission, and natural gas distribution assets in the Caribbean, the U.S., and Canada. These regulated businesses are responsible for 99% of this company's revenue, implying strong and predictable cash flows.

Over the past 48 years, Fortis has relied on these strong and growing cash flows to raise its dividend distributions over time. Accordingly, those who simply have stuck with Fortis have benefited from a rising bond-like [3.5% yield](#). That's hard to find and makes Fortis stand out.

Bottom line

I think, over the long term, both these dividend stocks should continue on in a slow and steady fashion higher. Accordingly, those seeking top dividend stocks can't go wrong owning either of these gems.

CATEGORY

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3. TSX:KMP.UN (Killam Apartment REIT)

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Date

2025/08/29

Date Created

2022/02/01

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