



2 Long-Term Dividend Stocks to Buy for Passive Income

Description

In financial terminology, passive income refers to income generated from investments that continue on an ongoing basis without an investor needing to adjust or monitor their holdings over time. Accordingly, finding stocks that can produce bond-like income is the goal of many passive-income investors.

That said, unlike bonds, which tend to be more stable in their payouts, companies can cut or eliminate their [dividends](#) if conditions change. Therefore, there's typically a higher level of risk with passive-income stocks relative to fixed-income options.

However, some equities are better than others. Here are two top long-term dividend stocks I think are worth a look from passive-income investors.

Top passive income stocks: Dream Industrial REIT

Dream Industrial REIT ([TSX:DIR.UN](#)) is an open-ended REIT holding a diversified portfolio of high-quality industrial properties. This portfolio includes 326 industrial buildings with a gross leasable area of approximately 39.8 million square feet. These properties are spread across Canada, the U.S., and Europe.

Recently, Dream Industrial provided its updated Q4 financial results. Indeed, one word can describe these results: *solid*.

The company brought in net income of \$190 million in Q4, representing an increase of 133% over the past year. Over the full year, Dream Industrial's 2021 net income of \$608 million was 204% higher than its \$200 million number in 2020.

What gives?

Well, Dream Industrial has been aggressively growing its asset base, with 72% growth over the past year. Rents are up, and occupancy numbers have improved. Overall, the core drivers of this REIT's business are strong, supporting the company's [4.3% dividend yield](#) well.

Those thinking long term can't go wrong with owning this top passive-income stock.

Fortis

Having a whopping valuation of \$22.8 billion, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is Canada's largest publicly traded utility organization, with operations in the Caribbean, the U.S., and Canada. The company's business includes natural gas, electricity, and hydroelectricity power generation. Fortis's annual revenue of roughly \$7 billion is impressive and continues to provide solid (and growing) cash flows.

Fortis continues to use these cash flows to pay out growing dividends. In fact, Fortis's track record of dividend growth is remarkable. This company has raised its dividend for 48 consecutive years, making this one of the best Dividend Aristocrats in the market.

Over the past decade, Fortis has raised its dividend approximately 6.3% each and every year. This sort of growth is tied to rising cash flows tied to regulated price increases and a growing user base. Thus, Fortis's underlying growth fundamentals remain strong, as does this company's passive-income-generating capabilities.

For long-term investors looking for passive income, Fortis is a great option. Indeed, this stock's dividend-growth trajectory speaks for itself.

CATEGORY

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