



Passive Income Ideas: 3 of the Best Stocks to Buy Now!

Description

These days, with so many different stocks to consider, investors have plenty of options. This is crucial because the best stock to buy for passive income for one investor may not be the best for another.

Luckily there are stocks of all sizes offering plenty of different opportunities. For example, you can find high-growth stocks that only pay small dividends, while others are more mature and experience slower growth, so they have more cash to pay back to investors and offer a higher dividend.

There are even some stocks that hardly grow at all and are created specifically for passive income seekers, aiming to pay out all the income they generate each quarter.

So if you're looking to boost your passive income and find the best stocks to buy now, here are three to consider.

A top restaurant royalty stock

Anytime you find a high-quality royalty stock, there's a good chance it's one of the best stocks you can buy for passive income. Royalty companies, such as **Pizza Pizza Royalty** ([TSX:PZA](#)), are stocks that are made for [dividend investors](#).

These companies won't necessarily grow much in value. And now that Pizza Pizza, for example, has mostly recovered from the pandemic, there isn't much upside in the share price unless its restaurants can grow their sales meaningfully.

However, with that being said, Pizza Pizza is a safe stock that generates tonnes of cash flow and aims to pay it all back to investors. Not only does Pizza Pizza have an incredible brand, but its low-cost nature and high convenience culture have proven to make it highly resilient, especially among its restaurant peers.

Through the pandemic, it saw one of the smallest impacts out of all the restaurant stocks, and since having to only temporarily trim its dividend by 30% at the start, it's now raised it three separate times

as its business has recovered.

So with the stock offering an incredible [yield](#) of more than 6.25% today, it's one of the best to buy for passive income generation.

One of the best stocks to buy now for consistent passive income growth

If you're looking for a stock that can return you passive income but also grow in value, **Canadian Tire** ([TSX:CTC.A](#)) is one of the best to buy now.

Canadian Tire has always been a strong and impressive company, with one of the best brands in Canada. However, lately, especially through the pandemic when other retail stocks were severely impacted, Canadian Tire has continued to show it's one of the best stocks to buy and hold long term.

Its recent earnings report was a blowout, with the company smashing expectations. And what's most impressive is that the strong performance Canadian Tire posted was spread across all its retail banners.

At a quick glance, you may notice that the stock only offers a yield of 2.75% today. However, it's doubled its dividend over the last five years, among the fastest dividend growth of any stock in Canada.

So if you're looking for a dividend stock that can consistently increase the passive income it's returning to you, Canadian Tire is one of the best to buy now.

A high-quality real estate investment trust

In addition to Canadian Tire, if you're bullish on the stock but want a slightly higher yield, you could consider **CT REIT** ([TSX:CRT.UN](#)), the REIT that Canadian Tire has a majority ownership in.

CT REIT is not only owned by Canadian Tire, it also receives more than 90% of its revenue from the company as well. So its performance is highly tied to Canadian Tire's. One of the biggest differences, though, is that the dividend it pays is far more attractive, currently yielding just under 5%.

However, because it offers a higher yield, the dividend growth is slower. Over the last five years, the distribution from the REIT has been increased by less than 20%, far below Canadian Tire's 100% increase. CT REIT is still an impressive stock that's proven to be highly resilient, thanks in large part to its relationship with Canadian Tire.

So if you're bullish on Canadian Tire's business but looking for a higher yield, CT REIT is one of the best stocks to buy for constantly growing passive income.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CRT.UN (CT Real Estate Investment Trust)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:PZA (Pizza Pizza Royalty Corp.)

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