



## 3 TSX Stocks to Buy for Monthly Passive Income

### Description

Income investors, as well as retirees, can invest in dividend-paying stocks that have a monthly payout. There are several dividend stocks in the TSX that can help you generate a steady stream of dividend income. Let's take a look at three such stocks in **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)), **RioCan** ([TSC:REI.UN](#)), and **Northwest Healthcare** ([TSX:NWH.UN](#)) that have a monthly dividend payout.

### Pembina Pipeline

One of the largest energy infrastructure companies in Canada, Pembina Pipeline has a diverse and integrated base of cash-generating assets. It has a track record of profitable growth and a robust portfolio of opportunities that should enhance shareholder value over time.

The company's business strategy is built on financial principles that can be considered low to moderate risk. It has a strong balance sheet and a prudent approach to capital allocation as well as investment-grade credit rating.

A majority of Pembina's cash flows are tied to long-term contracts allowing it to pay investors a tasty dividend. Pembina began paying investors a dividend back in 1997 and has since distributed \$10.5 billion in payouts.

An inflationary pricing environment has allowed Pembina stock to rise by almost 40% in the last year, after adjusting for dividends. Analysts expect Pembina to increase earnings at an annual rate of 11% in the next five years. Further, its forward price-to-earnings multiple of 17 is extremely attractive given its earnings forecast and a tasty dividend yield of 5.4%.

### RioCan

A Canada-based real estate giant, RioCan offers investors a forward yield of 3.9%. The company ended 2021 with a portfolio of 207 properties, totaling a net leasable area of 36 million square feet. RioCan sold its property portfolio in the U.S. back in 2016 and also liquidated properties in the

Canadian markets.

It currently has focused on gaining traction in the six largest markets in Canada including Toronto, Calgary, Vancouver, Ottawa, and Montreal. In 2021, RioCan's occupancy rate stood at 96.8% while 85% of revenue was derived from its largest tenants.

The company now aims to ramp up capital expenditure investments by 150% in the next five years compared to the previous five-year period.

## Northwest Healthcare

Another REIT in the list is Northwest Healthcare, which pays investors a forward yield of 5.9%. The health care-focused REIT provides you access to a portfolio of 189 quality real estate assets totalling 15.3 million square feet of gross leasable area.

It is already the largest non-government owner and manager of medical office buildings and health care facilities. Northwest has more than 2,047 tenants in seven countries making it one of the top bets in the defensive and recession-proof health care sector. Its gross book value of assets stands at \$6.67 billion while the debt-to-GBV ratio stands at a sustainable 50%.

## The Foolish takeaway

Investors should understand that dividend payments are not a guarantee and can be suspended at any time. For example, RioCan cut its dividend payout in 2021 as the commercial real estate sector was decimated amid COVID-19. You need to analyze the business model and financials of each company before you make an investment decision.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:REI.UN (RioCan Real Estate Investment Trust)

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