



## 2 Canadian Stocks to Buy for Monthly Passive Income

### Description

Many investors primarily look for capital gains when buying stocks. However, dividend stocks that pay passive income can make your returns more predictable, which is why they are always some of the best Canadian stocks to buy for the long haul.

Earning passive income is a great feeling. Unfortunately, most stocks only pay a quarterly dividend. In addition to the fact that it's nicer to receive money each month, the quicker your cash is paid to you, the faster you can reinvest it and [compound](#) your money.

So while you should always buy the best possible stocks first, if you're looking specifically for monthly dividend stocks, here are some of the highest-quality companies in Canada.

### One of the top Canadian real estate stocks to buy now

There are a few exceptional residential real estate stocks that Canadian investors can buy today. However, at its current valuation, **InterRent REIT** ([TSX:IIP.UN](#)) offers investors some of the best [value](#).

The Canadian real estate stock is a company that does offer monthly passive income. In fact, it also offers consistently growing passive income, as it's a Canadian dividend aristocrat. However, if you're buying InterRent stock, you're doing so for its long-term capital gains potential.

Not only does the stock only offer a yield of roughly 2% today, but for years it has retained much of its cash flow to invest in growing the business and unitholder value.

So if you're purely looking for a dividend stock that offers a higher yield, it may not be the one for you. If you're just looking for a high-quality stock, though, InterRent is one of the best Canadian stocks to buy now.

It has consistently posted impressive performance and taken advantage of a hot residential real estate market in Canada. This is part of why it's been able to increase its dividend each year. But because it's kept the payout low and retained more capital for growth, it's been able to increase the value of its

assets much quicker.

So over the last decade, despite the monthly passive income only providing a low yield, investors have earned a total return of more than 440%, or a compounded annual growth rate of approximately 18.5%.

Therefore, while it doesn't offer the most monthly income of top Canadian dividend stocks, InterRent is still one of the best investments you can make today.

## A top Canadian restaurant royalty stock

If you're looking for a top growth stock but one that offers a higher yield, **A&W Revenue Royalties Income Fund** ([TSX:AW.UN](#)) is one of the top Canadian stocks to buy for monthly income.

The A&W franchise has been one of the fastest-growing quick-service restaurants in Canada over the last decade. It's now the second-largest burger chain, and its commitment to healthier options along with its strong marketing campaigns have resonated with Canadian consumers.

This has led to an explosion in same-store sales for A&W but also to several new restaurant openings, which has continued to drive growth in both the price of the units and the monthly dividend it pays to investors.

Because it's a restaurant stock, it was understandably temporarily impacted by the pandemic. But with the monthly distribution now back right around pre-pandemic levels, it's one of the top Canadian stocks to buy for passive income.

At the current price, A&W stock offers a yield of roughly 4.65%. Plus, because it continues to offer exceptional dividend growth potential, it's one of the top Canadian stocks to buy for the long haul.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:AW.UN (A&W Revenue Royalties Income Fund)
2. TSX:IIP.UN (InterRent Real Estate Investment Trust)

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