Looking for Passive Income? Here Are 3 Great Options

Description

Generally speaking, passive-income investments are ones many investors ascribe to risk-averse individuals, or those looking to earn modest returns. With everyone and their grandma looking to beat the benchmarks during this recent impressive bull market, growth has been in favour.

However, there's a rotation toward value and dividend-generating investments. Passive-income opportunities are back in style. Accordingly, the valuations of many of these income-generating stocks have surged.

That said, there's still value to be had in this space. Here's why I think **Dream Industrial REIT** (TSX:DIR.UN), **Fortis** (TSX:FTS)(NYSE:FTS), and **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) are three great options to consider.

Top passive-income stocks: Dream Industrial REIT

Dream Industrial Real Estate Investment Trust manages, operates, and owns a portfolio of 351 buildings (239 industrial assets) comprising a gross leasable area of roughly 43 million square feet in key markets across the United States, Canada, and Europe.

Recently, this trust announced strong results for this past year. The company brought in net income growth of 133% on a year-over-year basis. This sort of net income growth is hard to come by, but highlights the value Dream has created via its high-quality industrial real estate portfolio.

Investors thinking long term and looking not only for passive income but stable yields may want to consider this stock. Currently, Dream Industrial provides a dividend yield of 4.4%.

Fortis

Another ultra-stable passive-income stock worth considering is Fortis. This regulated utility is a leading in the North American electric and gas utility sector. Being a regulated utility, investors in Fortis benefit from extremely stable cash flows and very consistent growth.

Fortis is a company that's been focused on returning capital to shareholders for decades. As a passive-income stock, there are few companies out there like Fortis. This company's 3.5% dividend yield is only overshadowed by its track record of dividend increases (which is currently approaching five decades in a row).

Fortis reported very strong earnings of late, with more expected on tap. This is a great long-term holding investors may want to consider at these levels.

Bank of Nova Scotia

Finally, we have Scotiabank.

Coming out of the pandemic, Scotiabank has been a big winner from the Fed-induced turnaround we've seen in so many sectors. Additionally, of late, Scotiabank and its lending peers have seen increased interest due to the upcoming hiking schedule that's likely to start this week.

Scotiabank's net interest margins should improve in such an environment, adding to the company's already strong recent results. This past quarter, Scotiabank grew its net income by 14% on a year-over-year basis, handsomely beating analyst expectations. Should rising interest rates give way to improved profitability, this bank stock could be very attractive for investors, considering its 4.4% dividend yield.

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3. TSX:BNS (Bank Of Nova Scotia)
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chrismacdonald