



2 of the Best Canadian Stocks to Buy That Pay Cash Every Month

Description

High-quality Canadian dividend stocks are some of the best businesses you can buy for the long run. When companies pay dividends, it's a sign that they have established operations and are comfortable enough with the cash flow they are earning and the financial position that they're in.

Most [dividend stocks](#) pay you cash once a quarter, which is pretty attractive. But some dividend stocks even pay you passive income every single month.

So, if you're looking for some of the best Canadian dividend stocks to buy today, here are two monthly dividend stocks to consider for your portfolio.

One of the best high-yield Canadian stocks to buy for reliable monthly income

Pizza Pizza Royalty (TSX:PZA) is one of the best Canadian dividend stocks you can buy if you're looking for a higher-yield investment.

Not only does it return you monthly income and offer a current [yield](#) of roughly 5.6%, but it's also quite a resilient company, and its income is typically predictable due to its stability.

The company earns a top-line royalty from its restaurants across the country. So, generally, the level of sales that the entire brand is doing is quite consistent, which results in Pizza Pizza being able to pay out almost all of its income each month.

Of course, the pandemic was something that impacted Pizza Pizza. However, for a company in the restaurant sector, it was extremely robust. Pizza Pizza only had to trim the dividend by 30%, and that was enough to keep a margin of safety in case the impacts of the pandemic worsened.

So, with Pizza Pizza showing it's the most resilient restaurant royalty stock you can buy, and with it offering a significant yield today, it's certainly one of the best Canadian stocks to buy if you want to

grow the passive income your portfolio is generating.

A top investment to buy for dividend growth

However, a stock that offers a much lower yield than Pizza Pizza but that can grow your capital more significantly over the long run is **InterRent REIT** ([TSX:IIP.UN](#)). InterRent is a residential REIT with assets in Ontario, Quebec and B.C.

Right now, the monthly dividend stock only offers a yield of roughly 2.1%. However, it's a Canadian Dividend Aristocrat, meaning it increases its payout to investors each year. Furthermore, InterRent offers a tonne of capital gains potential as well, making it one of the best Canadian stocks to buy today.

In fact, over the last five years, that growing distribution plus the gain in the price of the REIT's units have earned InterRent investors a total return of 133%, or a compounded annual growth rate of 18.4%.

It's the perfect stock to own long term. Not only do you gain exposure to one of the best industries you can own, residential real estate, but you also get a management team that has proven to consistently create value for long-term investors.

And recently, InterRent stock has sold off, creating an excellent opportunity to take a long-term position. If you're looking for the best Canadian stocks to buy that will pay monthly dividends and consistently increase the payout to investors, InterRent is an excellent choice.

CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:IIP.UN (InterRent Real Estate Investment Trust)
2. TSX:PZA (Pizza Pizza Royalty Corp.)

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