



Forget Rental Properties: 2 Much Better Dividend-Growth Stocks to Buy

Description

Owning rental properties is appealing to many Canadians, and while it's not the worst idea by any stretch, there are certainly better investments you can make. In fact, there are several dividend-growth stocks to buy that offer numerous advantages over rental properties.

First off, you don't need nearly as much capital to begin investing in stocks. In addition, stocks are much more liquid, and, on top of that, the transaction costs are far cheaper.

That's not all, though. When you buy stocks, you can utilize registered accounts like the [TFSA](#). This way, all the gains you make, both in appreciation of your capital and passive income, can all be tax free.

Another massive benefit that stocks offer investors is that you can invest in different sectors. This not only means your capital will be more diversified, but it also means that you can find investments in sectors that offer better value than rental properties.

Part of the reason investors want to own these assets is because they are safe, can grow in value, and return growing passive income. Yet there are plenty of Canadian stocks that can do this as well and could be even safer investments, considering that you don't have any risk of having to find tenants or worry about surprising maintenance costs.

If you're looking to find high-quality investments that can protect and grow your capital for decades, here are two dividend-growth stocks to buy that could be much better investments than a rental property.

One of the best dividend stocks to buy and hold for decades

Investors love to own rental properties, because they are generally always gaining in price in addition to the fact that they can earn Canadians passive income. But one stock that can do all that and could offer even more potential is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)).

BCE is an incredibly defensive business, as its telecommunications operations are diversified all across Canada. These services — access to communications and the internet — are crucial for consumers and businesses, which is why BCE is such a reliable and high-quality stock to own long term.

Plus, with the company constantly investing in growth, it's not just increasing its earnings each year, but it's also growing its dividend rapidly. That dividend offers a yield of more than 5.3% today, likely higher than most yields that rental properties would offer. In addition, the dividend has been increased by more than 25% in just the last five years.

So, with BCE still having tonnes of growth potential, as it continues to install [5G technology](#) assets and fibre technology across the country, it's certainly one of the best Canadian dividend stocks you can buy for the long haul.

A well-diversified infrastructure stock that offers much more potential than a rental property

Another high-quality Canadian stock offering several benefits over owning a rental property is **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)). Brookfield owns a unique portfolio of high-quality infrastructure assets located all over the world.

These assets are highly [defensive](#), much like BCE, which is why Brookfield is so reliable and one of the best Canadian dividend stocks you can buy.

Plus, in addition to the passive income it provides and the stability it offers, Brookfield is also an incredible long-term growth stock that's constantly recycling cash into new projects.

Therefore, considering all the benefits that stocks, in general, offer and the impressive nature of Brookfield's portfolio, there's no question it's one of the best stocks that dividend investors can buy today.

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3. TSX:BCE (BCE Inc.)
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Date

2025/08/25

Date Created

2022/05/04

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