



## TFSA Investors: Earn Over \$400/Month Through These 3 Dividend Stocks

### Description

The equity markets have been under pressure amid the rising bond yields and fears of a sharp economic slowdown in China. Treasury yields have increased to above 3%. China's exports in April rose just 3.7% year over year, which was substantially lower than the growth of 15.7% in March. So, given the weak market sentiments, investors should look to boost their passive income.

Meanwhile, the contribution room for the TFSA (Tax-Free Savings Account) is \$6,000. However, if you had tuned 18 in 2009 and had not invested any amount until now, your cumulative contribution room would be \$81,500. If you invest the entire amount in the stocks that pay dividends with yields above 5.9%, you can earn a tax-free passive income of above \$400 per month. So, if you are ready to invest in dividend stocks, here are my three top picks.

### NorthWest Healthcare Properties REIT

REITs must pay 90% of their earnings to shareholders as dividends. So, these companies are an excellent buy for income-seeking investors. I have selected **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)), which acquires and manages healthcare properties across several countries, as [my first pick](#). Given its defensive healthcare portfolio, long-term agreements, and reliable tenants, the company's occupancy and collection rate remain higher, irrespective of the economic cycles.

Further, the company's strategic acquisitions and inflation-indexed rent boost its financials and cash flows. It is looking at expanding its presence in the United States and has recently acquired 27 healthcare properties spread across 10 states. Notably, it has a robust pipeline of projects worth around \$2 billion. So, these new acquisitions and investments could drive its cash flows, thus allowing it to pay a dividend at a healthy rate. Currently, NorthWest Healthcare pays a monthly dividend of \$0.0667/share, with its forward yield at 6.3%.

### Keyera

Amid rising oil prices and demand, I have selected **Keyera** ([TSX:KEY](#)) as my second pick. The energy

infrastructure company operates a fee-for-service business, serving oil and gas producers in Western Canada. Although oil prices have cooled from their March highs, analysts are expecting oil prices to trade above US\$100/barrel for the most of this year. So, rising oil prices and demand could drive the demand for the company's services.

Meanwhile, Keyera is continuing to construct the KAPS pipeline project, which was 65% complete by the end of last year. The company's management expects to complete the project by early 2023. Further, the company also looks to expand its asset base, which could boost its cash flows. Given the favourable environment and its growth initiatives, its management expects its adjusted EBITDA to grow at 6-7% annually through 2025. So, I believe Keyera's dividend is safe. With a monthly dividend of \$0.16/share, its forward yield stands at 6%.

## Extendicare

**Extendicare** ([TSX:EXE](#)) provides care and service to senior Canadian citizens under various brands. The company is repositioning itself to focus on growing its LTC (long-term care) and home health care, thus [announcing](#) an agreement to sell its Esprit Retirement Communities to the Sienna-SABRA partnership for \$307.5 million. The company could earn net proceeds of \$115 million from this transaction. The company's management expects to complete the transaction by the end of the second quarter of 2022.

Meanwhile, Extendicare has around 21 redevelopment projects that are proposed or underway. These projects could add more than 4,600 new LTC beds. The company is constructing a 256-bed home in Stittsville, Ottawa, expecting to complete it by the first quarter of 2024. So, these growth initiatives could boost its financials and cash flows, thus allowing the company to pay a dividend at a healthy rate. Currently, the company pays a monthly dividend of \$0.04/share, with its forward yield at an impressive 6.7%.

### CATEGORY

1. Dividend Stocks

### TICKERS GLOBAL

1. TSX:EXE (Extendicare Inc.)
2. TSX:KEY (Keyera Corp.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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