



Want Reliable Passive Income? 2 Canadian Dividend Stocks to Buy

Description

It's always pleasant to receive dividend income and know your portfolio constantly generates cash flow. When you find high-quality dividend stocks to buy that are returning you cash, it lowers the risk of your investment. However, it also allows you to build your cash position much quicker in order to reinvest that capital and take advantage of [compound interest](#).

In the current environment, though, both when there are worries of a recession and when the stock market is selling off, dividend stocks are certainly some of the best to buy.

In general, if all stocks are losing value, the only way investors are earning an income buying stocks is by the [dividend](#) income they pay.

If you're looking for reliable passive income in this environment, here are two of the best Canadian dividend stocks that you can buy today.

This massive utility company is one of the best dividend stocks to buy

One of the best businesses you can buy if you're looking for reliable passive income is **Hydro One** ([TSX:H](#)), a top Canadian utility stock.

Hydro one is a massive electric utility company in Ontario, responsible for both the transmission and distribution of electricity to customers across the province. The reason it's one of the best dividend stocks to buy is due to the fact that it's incredibly defensive.

Electricity is a service that residential and commercial customers need. Furthermore, the population of Ontario is constantly growing. So, in addition to all the regular investments that Hydro One makes in growth, it's also positive that it operates in Canada's largest province by population.

Because it's such an incredibly defensive and reliable stock, and its income and cash flow are highly predictable, it makes for one of the best dividend stocks you can buy.

It's no surprise that the stock is a Canadian Dividend Aristocrat. While it offers investors an incredibly safe yield of 3.1% today, it also increases that dividend each year. And since 2017, the passive income that investors are receiving has grown by over 27%.

Therefore, if you want to buy high-quality dividend stocks that you can have confidence holding through this economic environment, there's no question that Hydro One is one of the best.

Residential real estate

Utilities are incredible investments if your number one priority is the protection of capital. However, if you're looking for an investment that's nearly as reliable but offers much more potential for growth, **Morguard North American Residential REIT** ([TSX:MRG.UN](https://www.tsx.com/stocks/quotes/MRG.UN)) might just be one of the best dividend stocks to buy now.

Morguard is a REIT that owns roughly a third of its residential properties in Canada, with the remaining portion of its portfolio located in the United States. It's incredibly well diversified, which is always important but could be even more significant in the current high-inflation environment.

Residential real estate certainly has a bit more risk than investing in utilities. However, over the long haul, there is very little risk in owning these stocks. Plus, there is a tonne of potential for both increasing passive income and capital gains growth.

Right now, the most significant test that these REITs face is increasing costs. However, due to Morguard's diversification and much of its portfolio south of the border, where there are less strict or no rent controls, it should be able to better manage its margins over the short term than some of its peers, which operate solely in Canada.

Therefore, with Morguard offering an attractive yield that's just shy of 4% while only paying out less than 75% of its adjusted funds from operations, it's definitely one of the best dividend stocks to buy now.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:H (Hydro One Limited)
2. TSX:MRG.UN (Morguard North American Residential Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. danieldacosta
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/08/21

Date Created

2022/05/16

Author

danieldacosta

default watermark

default watermark