Grab Passive Income of up to 6% From 3 Dividend Stocks on the TSX

Description

Making regular savings to earn passive income from dividend stocks is an excellent way to boost your income immediately with little work. Here are a few discounted dividend stocks you can look more closely into.

CIBC stock offers a 4.7% yield

Big Canadian bank stocks like **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) have been stable passive income and wealth generators for their long-term stockholders. CIBC just completed a two-for-one stock split this month. So, the bank stock appears to be much cheaper than before at $68 and change per share. In reality, it has the same economic value as before. Therefore, its stock valuation hasn't changed much from last month. That said, usually stocks trade lower soon after stock splits. If you have been interested in CIBC stock, you might look into buying some shares over the next little while potentially on further weakness.

The bank stock is already 18% below its 52-week high and 17% below its 12-month analyst consensus price target. That's a pretty good discount for passive income investors to grab a 4.7% yield that's sustained by a payout ratio of about 43%.

Exchange Income Corporation stock yields 5.4%

Exchange Income Corporation (TSX:EIF) is an interesting idea for passive income. The company consists of two segments: aerospace and aviation services and equipment, and manufacturing. It also has an acquisitions strategy to buy profitable companies that already generate stable cash flow and have the potential to grow organically.

It's no wonder the big dividend stock, which is categorized under the airline industry, was able to maintain its dividend through the pandemic. It's greatly respectable for that reason! As we know it, the industry has come under immense pressure through the pandemic.

At $44.81 per share at writing, Exchange Income offers a big yield of almost 5.4%. Its dividend is estimated to be supported by a payout ratio of about 85% of earnings and 30% of cash flow this year. Analysts believe the undervalued stock trades at a discount of about 23%. As well, they think a strong rebound is coming for the company through 2023. This should bode well for the stock price and dividend.

NorthWest Healthcare Properties REIT provides a yield of 6.2%

NorthWest Healthcare Properties REIT (TSX:NWH.UN) is another high-yield stock that appears to generate stable cash flows. It generates income from a large portfolio of healthcare properties. Because it earns rental income from hospitals and healthcare facilities that are essential to stay open no matter the health of the economy, its cash flows are highly stable. Their stability comes from a high occupancy of 97% and a long-weighted average lease expiry of approximately 14 years.

High inflation should not be a problem for the REIT because it enjoys inflation protection from inflation-indexed and annual contractual rent growth. It also reduces foreign-exchange risk by securing local currency debt whenever possible for its global assets.

At just under $13 per unit at writing, the healthcare REIT yields almost 6.2% and is undervalued by 15% according to the analyst consensus 12-month price target.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:EIF (Exchange Income Corporation)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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