



2 Dividend Stocks to Make \$356/Month in Tax-Free Passive Income

Description

The **TSX** today looks like it's continuing to rebound. After some hiccoughs, investor sentiment looks to be improving after the market correction hit bottom in mid-May. Yet it's still a volatile situation, that's keeping some Motley Fool investors from buying up strong opportunities. Some of those include dividend stocks to lock in incredible passive income.

Today, we're going to look at how to use your Tax-Free Savings Account (TFSA) to create a passive-income stream from two solid dividend stocks. Each has healthy yields with solid returns in the past, and for the future. Let's get to it.

Dream Industrial REIT

First off, let's look at a [real estate investment trust](#) (REIT). These companies are great because they have to pay out part of their net income to shareholders, usually as dividends. And **Dream Industrial REIT** ([TSX:DIR.UN](#)) is a great option for this.

First, let's look at the company's history among dividend stocks. It's been paying out a solid dividend for the last decade, with its dividend remaining stable at \$0.0583 per month. Right now, that comes to a dividend yield of 5.09%.

Furthermore, it's in both a defensive and growing industry of industrial real estate. The boom in e-commerce alone has seen industrial use climb. However, assembly lines and warehouse storage are climbing — especially with supply-chain demands as they are. Therefore, Dream Industrial is one of the strongest dividend stocks Motley Fool investors can lock in for both passive income and growth. And yet it trades at an insanely low price-to-earnings ratio of 3.66.

Canadian Utilities

Canadian Utilities ([TSX:CU](#)) is another must-have for investors looking for dividend stocks in their TFSA. The company is the only dividend stock on the TSX today that has Dividend King status. That

means it's grown its dividend each year for the last 50 years!

Canadian Utilities has grown that dividend at a compound annual growth rate (CAGR) of an astounding 7.21%. Right now, you can lock in a dividend yield of 4.5%. The utilities company is able to increase these payouts, as it's in the stable utilities sector. However, it also dabbles in [oil and gas](#) — an industry that's seeing huge growth right now.

If you want stable income, then it really doesn't get better among dividend stocks than Canadian Utilities. Furthermore, it also has room to grow thanks to the move towards clean energy assets. So, with this solid history of payments and dividend growth, I would certainly consider it for your TFSA portfolio.

Bottom line

These dividend stocks are excellent choices to create tax-free passive income in your TFSA today. They have strong cash flow and reliable payments that will allow you to create income for life. A Canadian who was at least 18 in 2009 now has \$81,500 available in contribution room for their TFSA. So, if you were to put \$40,750 towards each of these dividend stocks today, you could create monthly passive income of about \$356 each and every month.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)
2. TSX:DIR.UN (Dream Industrial REIT)

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