The Only 2 Passive-Income Stocks You Need to Make a Fortune

Description

Canadians seeking passive-income stocks need look no further than real estate investment trusts (REIT). REITs deliver 90% of taxable income to shareholders, usually in the form of dividends. And these dividends can be used for passive income for life. But granted, right now is a bit different than the average market.

There are some REITs that may deliver dividends, but the shares aren't doing so great. And frankly, some of them may not deliver very well in the years to come. That's why today, I'm recommending two passive-income stocks that will certainly deliver now and in the future.

Look at the industry

If you want REITs that are going to deliver long term, you should first consider the industry they're in. In this case, I'm talking about long-term bets that will pretty much *never* change. Even housing has changed in the last few years. What once seemed like a sure thing has changed with this housing crisis. Canadians are moving towards renting and away from owning. And really, that means REITs in the residential or even rental industry are a bit volatile.

I'd also think that energy is out right now. Sure, oil and gas is fairly strong now, but it hasn't been in the last few years. And while renewable energy I believe will be supported in the future, it's still unclear how long that could be. That's why I'm looking at passive-income stocks that basically will *never* fall out of style.

Two top passive-income stocks to consider

We will always need a car, and we will always need healthcare. There's just no way around it. Cars may change, but you'll still need to buy one. So, that's why I would recommend a stock like **Automotive Properties REIT** (TSX:APR.UN). And health care? We learned during the pandemic that health care needs to be supported now more than ever. That also means a huge amount of investment is going into this industry. That's why I'm recommending **NorthWest Healthcare Properties REIT** (
TSX:NWH.UN

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Now, the benefit of these two passive-income stocks isn't just the stability; it's the *deal*. APR trades at just 5.43 times earnings, and NWH trades at just 6.76 times earnings. You can therefore lock in two amazing dividend yields at 6.29% and 6.44%, respectively — all while shares are down about 9% for NWH and 16% for APR at the time of writing.

But why buy while they're down?

Canadian investors remain unsure about the future of the stock market. However, one thing is for sure: these two passive-income stocks will come roaring back eventually. When they do, you'll have locked in massively high dividend yields.

How high? You could achieve wealth easily with these two stocks right now, today. Let's say you want to add another $400 per month to your passive income. That would mean getting $200 per month from each stock, or $2,400 per year. The investment won't be small, but it'll be worth it.

For NWH, you would need to invest $36,690. For APR, you'd need $36,900. That's a grand total of $73,590 to create monthly income of $400 from these passive-income stocks — for *life*. Plus, let's say these companies return to the previous 52-week high they both enjoyed. That would mean turning your $73,590 portfolio into $88,260. That's returns of $14,670, *plus* the additional $4,800 in annual passive income — a total of $19,470 from these two passive-income stocks.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:APR.UN (Automotive Properties Real Estate Investment Trust)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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