2 Dividend Stocks to Buy for Passive Income in September

Description

Many investors may think the search for passive income is only really attributable to those entering or in retirement. After all, for younger folk with long investing time horizons, growth investing may seem more attractive. Dividend stocks, while typically more defensive, don't really provide the long-term upside many want.

That said, there's a lot to like about a company that pays investors in good times and bad. Should we be heading into a recession, dividend stocks may become more valuable, as investors look for companies with solid balance sheets and real cash flows. Indeed, to a large degree, a shift is already underway, favouring such dividend-paying stocks.

In this context, let's dive into two top options to consider in this realm.

Top dividend stocks to buy: SmartCentres REIT

SmartCentres REIT (TSX:SRU.UN) is one of the largest fully-integrated real estate investment trusts (REITs) in Canada. Its best-in-class portfolio features 185 strategically located properties spread in communities nationwide. Recently, SmartCentres REIT released its second-quarter (Q2) operating and financial results.

These results were solid. The REIT saw sustained customer traffic improvement to its shopping centres. This, in turn, led to the generation of steadily increased levels of leasing activity, which started earlier this year. SmartCentres expect this momentum to continue for the remainder of this year, which will positively impact both the earnings and occupancy.

The trust's net income came at $162 million. This was in comparison to $97 million for the same period of last year, thereby representing growth of 67% year over year — not bad, indeed.

In addition, rental income from investment properties and others came in at $198.3 million in comparison to $193.9 million for the same period of 2021. A smaller increase of 2.2% or $4.4 million, this was primarily due to greater rental income from Premium Outlets locations based in Montreal and

Toronto, higher miscellaneous revenue, and additional self-storage facility and parking rental revenue.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is a Canadian electric and gas utility giant with operations in the Caribbean nations and the United States. The company distributes, generates, and transmits electricity to several retail customers across these areas. Notably, Fortis is one of the oldest Dividend Aristocrats of Canada, as is evident from its dividend-growth history.

Recently, Fortis declared its Q2 2022 results. For the quarter, this corporation posted $284 million, or $0.59 per common share, as net earnings attributable to common equity shareholders. This is in comparison to $0.54 per common share, or $253 million in Q2 2021. Higher earnings from the company's energy infrastructure segment and rate base growth drove these strong results.

Fortis is on its way to achieving its target to lower greenhouse gas emissions by 75% by 2035. If the corporation achieves this target, 99% of its assets will be focused on carbon-free, renewable generation and energy delivery.

Bottom line

Overall, both dividend-paying stocks (with yields of 6.5% and 3.6%, respectively) are great long-term holdings for investors across the entire spectrum. These two dividend stocks remain among my top picks in this environment right now.

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2. TSX:FTS (Fortis Inc.)
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Date
2025/08/21
Date Created
2022/08/27
Author
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