



New Investors: The 2 Best Options to Earn Regular Passive Income

Description

During [bull markets](#) and as the economy is expanding, investors have a lot more choice in what dividend stocks they want to buy in order to help build their passive-income streams.

In the current market environment, though, with the economy being significantly impacted and a tonne of increased uncertainty, investors need to be much more careful in what stocks they select.

Companies could see significant impacts on their business as a result of higher inflation, whether that's on the cost side, revenue side, or possibly even both.

In today's environment, it's all about finding defensive businesses with stable operations. These stocks should also have strong balance sheets and payout ratios that are sustainable in case unforeseen factors can affect the business.

Therefore, if you're a new investor that's just starting out, and you're looking to grow your passive income, here are two of the best options to buy today that offer attractive dividend [yields](#) and, more importantly, reliable dividend payments.

One of the top consumer staple stocks to buy for passive income

If you're a new investor that's looking to buy high-quality dividend stocks and grow your passive income stream considerably, one of the best stocks to consider today is **North West Company** ([TSX:NWC](#)).

North West owns grocery stores and supermarkets in many remote regions in northern Canada and Alaska. In addition, it also has a significant presence in the Caribbean.

One of the reasons that it's such an excellent investment, particularly in this environment, is that the company sells food and essential household items, which limits the impact that inflation can have on its business.

Of course, North West is experiencing higher costs to buy its inventory and run its stores. However, it doesn't have to worry about significant impacts on its demand since the essential goods that it sells consumers can't go without.

Plus, in addition to its highly defensive operations, North West is extremely well run. The company has impressive margins, and, most importantly for passive income seekers, the stock is constantly increasing its dividend payments.

In the last five years, the dividend has been increased by more than 15%, and today, the stock offers an attractive yield of 4.3%.

Therefore, if you're a new investor looking to build a passive-income stream, North West is one of the best stocks to buy now, especially while it trades at the bottom of its 52-week range.

Many real estate stocks are also high-quality investments to make today

In addition to a defensive stock such as North West, there are plenty of reliable passive-income generators that you can find in the [real estate](#) sector, such as **H&R REIT** ([TSX:HR.UN](#)).

H&R is a great choice and one of the best to buy now, because it has a well-diversified real estate portfolio across Canadian and the United States. Furthermore, in addition to being diversified geographically, it's also diversified by asset class, as it's focused on owning both residential and industrial properties in addition to its office and retail properties.

The real estate investment trust (REIT) has been in turnaround mode recently, selling off non-core assets to consolidate its portfolio and focus more on its core business, particularly its industrial and residential assets.

So, in addition to being an excellent stock to buy for the passive income that you can receive, H&R is also considerably undervalued and offers tonnes of long-term growth potential.

Right now, the REIT trades at just 0.7 times its estimated net asset value. In addition, it trades at a forward price-to-funds-from-operations ratio of just 11.1 times.

Therefore, with the REIT offering an attractive yield of 4.2%, it's certainly one of the best stocks for new investors to buy now.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:HR.UN (H&R Real Estate Investment Trust)
2. TSX:NWC (The North West Company Inc.)

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