



Passive Income: 4 Top TSX Stocks That Pay Dividends Monthly

Description

Like the sound of passive income?

If so, monthly-pay dividend stocks may be just the ticket. Most dividend stocks pay quarterly, but monthly-pay dividend stocks pay every single month. This can come in handy if you're using your dividends to pay for daily living expenses. On that note, let's explore four Canadian dividend stocks that reward you each and every month.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is a Canadian pipeline stock that has an attractive 5.4% dividend yield. The dividend is \$0.21 paid out every month. As a pipeline company, PPL makes money by transporting oil and gas. It's also involved in buying and selling oil and gas, and has a storage terminal located in Prince Rupert. Pipeline companies like PPL often have high yields. However, their payout ratios—the percentage of earnings paid as dividends—are often over 100%. PPL's payout ratio is only 91%, which means that its dividend payout is fairly safe compared to other pipelines.

Northland Power

Northland Power ([TSX:NPI](#)) is a utility company involved in wind, solar, and natural gas. It has a diverse portfolio of utilities and [renewable](#) power assets across North and Central America, Europe, and, soon, Asia, with particular expertise in developing and operating off-shore wind assets.

Its stock pays a \$0.10 dividend [every month](#), which works out to \$1.20 per year. NPI stock trades for \$44, so the dividend yield is 2.7%. Obviously this isn't the highest yield on earth, but it could grow over time. Renewable energy is a very promising industry that the government wants to promote and reward. Renewable companies often enjoy lots of generous tax breaks and other benefits that help them pass value on to their shareholders. Plus, Northland has a very exciting development pipeline in place that should create long-term earnings and value for shareholders.

First National

First National ([TSX:FN](#)) is a Canadian mortgage lender that helps Canadians borrow money to buy homes. It partners with mortgage brokers, professionals who help people shop for affordable mortgages. Often, people find that their banks charge excessively high interest rates. Mortgage brokers can help by connecting them with specialist lenders like FN.

FN's business is doing well this year. In the most recent quarter, its revenue grew 14%, even though its amount of new loans fell 10%. This goes to show how rising interest rates can help mortgage lenders even when housing market activity is falling. It currently offers a juicy dividend yield of 6.41%, working out to a monthly dividend of about \$0.20 per share and an annual dividend of \$2.35.

Northwest Healthcare

Northwest Healthcare Properties REIT ([TSX:NWH.UN](#)) is a Canadian [Real Estate Investment Trust \(REIT\)](#) with a 6% dividend yield that is paid monthly. Having a monthly dividend doesn't differentiate NWH.UN from other REITs because many REITs have the same payment schedule.

What makes Northwest Healthcare special is its stability.

As a healthcare REIT, NWH.UN leases out office space mainly to healthcare providers in Canada and the EU. In both of these regions, healthcare is paid for by the government, so NWH.UN's tenants have very stable cash flows. In 2020, when Mall REITs were seeing defaults left and right due to the pandemic, NWH.UN collected 97.5% of the rent it would collect in a typical year. It was a testament to the REIT's resilience in the face of challenging times.

That's not to say that NWH.UN is a mere "safety" asset, though. The REIT is aggressively investing in growth, currently working on a \$760 million investment in the U.S.—its first ever foray into the country. This new investment could add to Northwest Healthcare's income potential, and reward shareholders in the future.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:FN (First National Financial Corporation)
3. TSX:NPI (Northland Power Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:PPL (Pembina Pipeline Corporation)

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