Passive Income: Earn $295 Each Month With 3 Low-Risk Dividend Stocks

Description

With the stock market in correction mode (again), opportunities to buy quality dividend stocks with high yields are surfacing. Perhaps you are preparing for retirement or are just looking to boost your monthly passive income. You can find stocks that pay monthly dividends with yields that are higher than average.

Undoubtedly, in the near term, the **TSX** is likely to remain volatile. However, over the long term, you can lock in a high cash return on your cost (yield) and likely come out with some nice capital returns as well.

Here are three monthly dividend stocks that each have a yield over 5%. With the right amount of capital, you could earn as much as $295 per month in passive income. Here is how.

A high-quality REIT that pays high monthly passive income

You could first consider putting $20,000 into **Dream Industrial Real Estate Investment Trust** (TSX:DIR.UN) stock. Its stock earns a 5.9% dividend yield today. It pays a $0.05833 distribution every month. That means you could earn as much as $98.33 every month.

Dream is a large industrial property landlord in Canada, the U.S., and Europe. The market is worried about an economic crisis in Europe and rising interest rates, so it has downgraded the stock.

Despite, this REIT has performed exceptionally well in 2022. Last quarter, net operating income rose over last year by 10%. Funds from operation per unit rose 12.6%.

Industrial real estate fundamentals remain very robust in its core markets. Last quarter, it signed 1.4 million square feet of leases at a 34% average premium to its prior rental rate! It has a really solid balance sheet and a balanced debt schedule that should help shelter it from rising interest rates.

An infrastructure stock that just raised its dividend

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is another prime Canadian stock for monthly dividends. After a recent 3% increase, it pays a $0.2175 per share monthly dividend. That equates to a 5.5% dividend yield right now. If you put $20,000 into this stock, you could earn $92.33 of monthly passive income.

Pembina has recently pulled back on broader fears about the global energy market. However, over 85% of its revenues are contracted, meaning its income is relatively predictable.

Around the world, there is an energy crisis. Transition fuels like natural gas are in high demand. Over the long term that should support strong demand for Canadian natural gas and maintain relatively high pricing.

This should play out very well for Pembina, which has a significant portion of its infrastructure focused on natural gas processing and transportation.

A defensive real estate stock for monthly dividends

The final Canadian stock that is ideal for monthly passive income is **NorthWest Healthcare Properties REIT** (TSX:NWH.UN). There are not many sectors that are more defensive than healthcare.

NorthWest provides the physical real estate that accommodates healthcare activities around the globe. It owns medical office properties, hospitals, and life science buildings.

Given their essential nature, these properties capture longer-than-average lease terms, and their tenants are very high quality (often backed by government institutions).

NorthWest pays a $0.0667 distribution per unit monthly. Annualized, that equals a 6.35% dividend yield. If you invested $20,000 into NorthWest stock right now, you would start to earn $105.83 monthly.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PPL (Pembina Pipeline Corporation)

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