



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

Description

[Dividend-paying stocks](#) are often the favourite of investors in search of passive income. Whether it's for retirement or cash flow to live off, generating a stream of passive revenue is a goal many investors have.

That said, there are a number of options available to investors looking to do so. Of course, there are bonds, which now actually yield something meaningful. There's real estate — a popular asset class with some strong fundamentals of late. And there's income-producing equities.

In this article, I'm going to highlight two stocks that provide excellent passive income worth considering. These are companies I think represent solid long-term bets, despite this market turbulence of late.

Let's dive in.

Top passive-income opportunities: Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a global regulated gas and electricity distribution company I've been pounding the table on for some time. With utilities outperforming the market over the past year, this call turns out to have been the correct one.

That said, Fortis is a stock I think fits the description of a long-term, buy-and-hold, passive-income generator, more than a growth stock. This company's impressive dividend-growth track record, which revolves around 48 consecutive years of dividend increases, speaks for itself. With a [yield of 3.6%](#) right now, bonds may seem initially more attractive. However, this company's dividend-growth profile certainly increases the allure of Fortis stock relative to the options.

In addition to a strong dividend, Fortis also provides investors with strong total returns. The company's compounded annual growth rate of 5% on revenue has led to 9% earnings growth over time. This is on top of the company's strong dividend growth over time.

Dream Industrial REIT

In the real estate sector, **Dream Industrial REIT** ([TSX:DIR.UN](#)) remains one of my top picks. This company's focus on industrial real estate is the factor that I think separates Dream from the pack.

Industrial real estate is the backbone of logistics and shipping, which are key to the e-commerce revolution. With 257 industrial assets and nearly 46 million square feet of leasable area, Dream Industrial stands to benefit from strong secular tailwinds over time.

During the company's recent report, Dream noted 7% net income growth. This growth helped to fund the company's dividend, which currently sits at 5.6%. Over the past five years, this company's dividend yield has averaged 5.9%, suggesting Dream stock is more in favour now than it has been in the past.

For long-term investors, a portfolio with one or both of these stocks should generate solid passive income along with upside potential. Accordingly, those looking for an alternative to bonds may want to consider these two stocks.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. chrismacdonald
2. kduncombe

Category

1. Dividend Stocks

2. Investing

Date

2025/08/19

Date Created

2022/09/18

Author

chrismacdonald

default watermark

default watermark