3 Cheap Canadian Stocks (With Dividends) to Earn Regular Cash

Description

If you love passive income, consider investing in dividend stocks. What's more? Several top TSX dividend-paying stocks are trading cheap, indicating that investors can buy them with whatever amount they have. So, for investors seeking steady passive income, here are my top four picks to make reliable passive income.

I have shortlisted stocks with solid dividend payment history and well-protected payouts. Let's begin.

Telus

Shares of the telecom company **Telus** (TSX:T)(NYSE:TU) are a solid stock to start a passive-income stream. Its multi-year dividend-growth program and ability to consistently deliver profitable growth helped it to return substantial cash to its shareholders.

It has paid nearly $16.6 billion in dividends since 2004. Moreover, Telus targets mid- to high single-digit dividend growth in the coming years. Further, Telus stock offers a worry-free dividend yield of 4.7%.

Its growing customer base, lower blended churn rate of less than 1%, and investments in network infrastructure and expansion of 5G capabilities augur well for growth and will likely support its dividend payouts. Furthermore, strength in its other business segments (including momentum in agriculture & consumer goods and international) will likely support its sales and earnings and, in turn, its dividend payments.

Algonquin Power & Utilities

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is an excellent stock for investors seeking stability and regular passive income. Thanks to its rate-regulated assets, Algonquin Power & Utilities is a low-volatility stock that reduces the overall risk of your portfolio. Further, its stellar cash flows support its dividend payments.

Notably, Algonquin Power has increased its dividend for 12 years. Further, with continued rate base growth, it is well positioned to deliver solid earnings in the coming years (its net income is expected to grow at an average annualized rate of 7-9%) that would drive its dividend payments.

Algonquin Power's conservative business, long-term power-purchase agreements, expansion of renewable power-generation capacity, and solid earnings growth indicate that its payouts are well protected. Investors can earn a dividend yield of 5.4% by investing in it at recent price levels.

NorthWest Healthcare Properties REIT

For passive-income investors, REITs (real estate investment trusts) are an attractive investment option. REITs distribute most of their earnings in the form of dividend, which is why their payout ratio is very high. Among the top Canadian REITs, **NorthWest Healthcare** (TSX:NWH.UN) is an excellent bet.

NorthWest Healthcare has a defensive business model that allows it to consistently return capital to its unitholders. Its healthcare-focused real estate portfolio witnesses strong demand, while it has high-quality tenants (80% of its tenants are supported by government funding).

NorthWest's leases are long term (its weighted average lease expiry term is 14 years). This adds stability and visibility to its cash flows. Further, 82% of its rents are indexed against inflation, which is positive. Also, its occupancy rate remains high at 97%.

Its defensive assets, geographically diversified real estate portfolio, and focus on U.S. expansion imply that NorthWest is poised to boost its shareholders' returns. Meanwhile, it offers a lucrative yield of 6.8%.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:TU (TELUS)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:T (TELUS)

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