A Passive-Income Triple Play: 3 Top TSX Stocks to Buy Together

Description

Passive-income stocks provide a great way for investors to generate extra cash flow while they stay invested. Furthermore, such stocks also aid investors with a regular payout through rocky market situations. Considering current raging inflation, a potential upcoming recession, and ongoing interest rate hikes, dividend stocks offering passive income are essential to many portfolios.

That's because much like bonds and other income-producing investments, such stocks can act as a nice hedge against inflation.

With all that said, stocks like **Dream Industrial REIT** (TSX:DIR.UN), **Fortis** (TSX:FTS) and **Restaurant Brands** (TSX:QSR) are among the top picks for investors right now. Here's why.

Top passive-income opportunities: Dream Industrial REIT

This real estate giant has taken a big hit, as interest rates continue to rise. As a result, it now trades at a cheaper valuation while providing a good yield. The company provides investors with exposure to 257 assets, with a combined square footage of 46 million square feet. It also features an impressive occupancy rate of around 99%.

Interestingly, Dream Industrial REIT has multiple growth strategies it's executing. Over the years, the brand has built a strong name across the Greater Montreal Area and Greater Toronto Area. Its plans to continue its pace of acquisitions and development in these core markets is noteworthy.

Further, towards the end of 2021, Dream Industrial REIT featured an annual rental escalation of around 2.5%. This increase pertained to the company's Canadian leases. Delivering a rather commendable dividend yield of around 5.8%, I think this is one passive-income stock worth buying right now.

Fortis

Over the previous few years, Fortis has shown a solid track record. The company posted a recent annual total divided amounting to $2.26. This is huge when compared to its 2012 total dividend distribution of $1.20. This near doubling in distributions over a decade showcases that the company grew its distributions by 6.5% over that period.

As one of the top dividend-growth stocks in the market, I like Fortis for its steady and renewed commitment to continue to raise its distributions. For nearly five decades straight, the company has done just that. Thus, in terms of investors seeking growing passive income in retirement, Fortis is a top stock to buy right now.

At the same time, Fortis's fundamentals provide the kind of solid long-term growth investors like. The company's earnings per share are expected to rise by 21.5% over the coming year.

Restaurant Brands

One of the many exciting catalysts to consider with Restaurant Brands is its growing profitability. The company's strong earnings-per-share growth of nearly 8% over the past three years is a testament to this.

While this growth rate may not be sky-high, as in the case of other growth stocks, it's certainly enticing. And given the company's defensive fast-food business model, it's clear that investors can sleep easy knowing its core restaurants won't be out of business anytime soon.

If we are headed into a recession, paradoxically, fast-food outlets could see a surge in activity. Folks still want to eat out, but on a budget. Thus, this is the kind of recession-resistant stock I like in this difficult environment.

The company's dividend yield of 3.3% is also noteworthy. With more dividend increases likely over the long term, this is a passive-income stock I think is an excellent choice for investors looking for total return growth over the next few decades.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:FTS (Fortis Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)

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Date
2025/08/11
Date Created
2022/11/25
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