2 Unstoppable Dividend Stocks to Load Up in Your TFSA

Description

Dividend stocks are some of the best investments you can make in your Tax-Free Savings Account (TFSA). Not only do you get income coming in every quarter, year, or even every month. You also can use that income to reinvest in the stock or other stocks!

This is especially beneficial for your TFSA. That's because there is a contribution limit for your TFSA. Should you reach that limit, dividends can be extra income you can use to invest without breaking any of the rules.

Today, I'm going to look at two dividend stocks that are some of the best buys you can make for your TFSA today.

NorthWest REIT

NorthWest Healthcare Properties REIT (TSX:NWH.UN) is a top choice if you want two things: monthly passive income that comes in like a paycheque or long-term passive income thanks to lease agreements.

NorthWest stock is a strong option thanks to both of these points. It currently has an average lease agreement of 14 years. Those agreements are located around the world, with a diverse range of properties from hospitals to parking garages.

That passive income, however, hasn't changed since coming on the market. But, honestly, I'm not mad. This dividend stock is still quite new. Because of this, it's using its funds to purchase more properties. So, by all means, if you have the cash use it! It's only going to improve returns, and passive income in the future.

NorthWest stock is also offering a substantially high yield, which is currently at 7.67%. It also trades at just 8.76 times earnings. With shares now down 23% year to date, it's a great time to pick it up with other dividend stocks.

CT REIT

CT REIT (TSX:CRT.UN) is another strong choice thanks to its connection with **Canadian Tire**, an old, stable retail company in Canada. There was concern this company would suffer during the pandemic. However, the opposite appeared true. CT REIT managed to see lease agreements increase, thanks to its Canadian Tire locations experiencing a surge in e-commerce purchases.

CT REIT offers monthly passive income that you can look forward to coming in at a steady rate. Right now, that dividend is at 5.48% — definitely nothing to sneeze at. And just like NorthWest, it currently trades at a valuable 11.57 times earnings. Also, this company has lease agreements that often last well over a decade.

What’s more, you can look forward to a bit more protection from CT REIT among other dividend stocks. That’s because CT REIT trades down 8% year to date, which isn’t as much as other companies. And with earnings per share doubling year over year during its recent earnings report, that improvement isn’t looking like it will slow down soon.

Bottom line

Both of these monthly dividend stocks are strong investments for your TFSA today. They both trade far lower than their future value would suggest. They have stellar passive income coming in, trade at valuable prices, and have long-term lease agreements that last over a decade. So, if you want passive income for life, these are certainly the two I would consider.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CRT.UN (CT Real Estate Investment Trust)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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