



The Smartest Dividend Payers to Buy With \$500 Right Now

Description

With inflation sky-high, Canadians are probably wondering how they can increase their income for 2023. Well, rather than buying the latest Christmas “bargain” television, gaming console, or kitchen appliance, you might be better off buying an [investment](#) that pays you to own it.

Dividend stocks may be the best present you can get for the long term

I’m talking about buying [Canadian stocks](#) that pay dividends. You may not get the instant gratification of buying a bargain gift. However, you will earn quarterly or monthly income that could long outlast the value of any Christmas purchase.

Over the long term, an investment’s income and capital could sustain your retirement or your lifestyle. That prospect could be even more fulfilling than the latest tech gadget that you can buy today.

If you are looking to earn an income-producing Christmas gift, here are three smart dividend stocks you could buy with as little as \$500 right now.

A top stock for multi-family real estate

Many Canadians would be shocked to know they can buy [real estate](#) on the stock market at a fraction of the price of real estate in the private market. **BSR Real Estate Investment Trust** ([TSX:HOM.U](#)) stock is down nearly 20% this year.

It has a high-end portfolio of multi-family properties exclusively in the United States. Its properties are in some of the fastest-growing municipalities in America.

This [real estate investment trust \(REIT\)](#) has seen its funds from operation (FFO) per unit rise (a key metric of profitability for REITs) by over 30% this year. Demand for its properties is high, and rents have been quickly rising.

The REIT pays an attractive 3.8% dividend that it distributes monthly. It trades at a 30% discount to its private asset value. It's hard to find much better value than that!

An industrial real estate stock with a big dividend

Like BSR, **Dream Industrial REIT** ([TSX:DIR.UN](#)) is an incredibly cheap real estate stock. It operates a large portfolio of multi-tenanted industrial properties in Canada and Europe. It also manages several [joint-venture](#) portfolios for large institutions. This REIT has had strong operational and financial performance in 2022. Yet its stock has been beaten down by almost 30% this year.

Right now, Dream Industrial is trading at a 25% discount to its private asset value. The stock is trading with a substantial 5.8% dividend yield today.

If you can take a long-term investing approach, this stock has both income and capital upside. While you wait, you get a very attractive well-covered passive-income stream.

A boring utility for safe income

If you want a very safe stream of dividend income, **Fortis** ([TSX:FTS](#)) should be on your radar. There is nothing flashy about this business or this stock. It owns and operates electric and natural gas transmission and distribution utilities across North America.

While these are boring assets, they produce consistent and reliable earnings. It has grown revenues, earnings, and dividends by a steady compounded annual rate of 4.6%, 4.7%, and 6%, respectively.

The company is very conservatively managed, and it has a modest outlook to grow its business annually by the mid-single digits. It trades with a 4.2% dividend yield today, so low-risk investors can earn a pretty attractive income stream by buying right now.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:FTS (Fortis Inc.)
3. TSX:HOM.U (BSR Real Estate Investment Trust)

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