



## Passive Income Investors: These 2 Stocks Are Some of the Best Buys in 2023

### Description

[Dividend stocks](#) act as a great source of passive income for many investors. Aside from bonds and other alternative investments, dividend-paying equities are where many retirees generate their livelihoods. Thus, picking the right dividend payers to accompany an investor into one's golden years is important.

As central banks continue to hike interest rates, the value of many dividend-paying stocks has come into view. Investors now want capital return over simply return on capital. These following two companies provide just that.

Here's why I think these two dividend stocks are among the best Canada has to offer.

### Best passive income stocks: Fortis

**Fortis** ([TSX:FTS](#)) is currently down -16.06% from its year-to-date (YTD) high, at the time of writing. Fortis' 52-week high price is \$51.66, meaning this is a stock that has plenty of upside potential in the near-term, if this rally continues.

The [utility's](#) annual dividend payment has grown substantially over the last 10 years. Fortis paid out \$1.20 in 2012, and the latest fiscal year payment was CA\$2.14. This indicates a compound annual growth rate (CAGR) of approximately 6.0% a year over that period. Indeed FTS stock is a dividend aristocrat.

FTS' forward annual dividend rate is \$2.26, which is up from \$1.94 for the previous year. Accordingly, this implies a forward annual dividend yield of 4.32% against a trailing annual dividend yield of 4.84%. The stock has a 5-year average dividend yield of 3.60%. It maintains a current Payout Ratio of 79.20% and a current dividend yield of over 4%.

The company has been paying dividends to its investors quite stably for a long time. This boosts my confidence in its future dividend potential. Currently, Fortis trades around \$55, which is a good level to dive into this stock, in my view.

## Dream Industrial REIT

Summit Industrial Income REIT (“Summit” or the “REIT”) has recently announced that the Ontario Superior Court of Justice has issued an order that sanctions the plan of arrangement of a joint venture between **Dream Industrial Real Estate Investment Trust** ([TSX:DIR.UN](#)) and Singapore’s GIC. Dream REIT will acquire only a 10% interest in Summit REIT. The deal is worth CA\$5.9 billion.

This deal will further help Dream to grow its portfolio. Dream Industrial has an attractive dividend yield of 5.80%. Now, that can’t be ignored! The quarterly dividend amount currently stands at CA\$0.18 per share.

For those thinking long term, industrial real estate is a great place to be. These warehouses and distribution centres provide the lifeblood of logistics-heavy sectors such as e-commerce. Thus, I think Dream Industrial should provide nice capital appreciation upside over the long term, in addition to its fantastic yield.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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

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