



How I'd Invest \$1000 in February to Make Easy Passive Income

Description

If you've got some fresh capital to invest in February, there are still plenty of opportunities to collect passive income. Certainly, the market has quickly recovered this year. Yet, many [dividend stocks](#) continue to trade at attractive valuations with decent dividend yields.

If you have \$1,000 to invest, here are three top **TSX** stocks to consider buying for easy passive income.

Dream Industrial REIT: Quality real estate for monthly passive income

Dream Industrial REIT ([TSX:DIR.UN](#)) is a good name to buy for monthly passive income. At \$14.40 per unit, it trades with a still attractive 5% distribution yield. Dream is a leading owner and manager of industrial [real estate in Canada](#), the U.S., and Europe.

Dream has enjoyed high-single digit cash flow per unit growth in 2022. Given that its average portfolio rents are significantly below market, it should capture strong organic growth from new leases and rent renewals in 2023.

Even after a 23% run-up so far this year, the stock is still [cheap](#) and trades at a discount to its private market value. Put \$1,000 into Dream stock and you'd earn \$4.03 of monthly passive income (or \$48.30 annually).

Brookfield: A global infrastructure stock with years of passive income growth

Another stock that would make a good buy in February is **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#)). At \$46.44 per unit, it earns a 4.17% distribution yield. It operates a diversified portfolio of high-quality infrastructure businesses focused on energy, transportation, utilities, and data.

Brookfield just announced [year-end results for 2022](#). Funds from operation (FFO) per unit (its core measure of cash flows/profitability) grew 12% to \$2.71 per unit. For a utility-like business, that is impressive growth. Likewise, the company just increased its 2023 dividend by a nice 6%. It already has an impressive decade-plus track record of dividend growth.

After the recent dividend increase, a \$1,000 investment in BIP stock would earn \$10.86 of quarterly passive income (or \$43.43 annually).

AltaGas: A play on energy and utilities

AltaGas ([TSX:ALA](#)) is a great passive income stock if you want exposure to [utilities](#) and energy. At \$24.80 per share, it pays a 4.6% dividend yield. The North American energy infrastructure operator runs a large natural gas utility business in the United States. This is complimented by an energy processing and midstream business in Western Canada.

AltaGas has been in the process of a turnaround for several years. It has sold off non-core assets and drastically reduced debt to a much more sustainable level. Going forward, its utility business is expected to enjoy above-average growth. As a result, AltaGas expects to grow earnings per share by a nice mid-single digit rate in 2023.

In December, AltaGas increased its dividend by 6%. This is its second dividend increase since 2020. Put \$1,000 into this passive income stock and you would earn \$11.20 of dividends per quarter (or \$44.80 per year).

The Foolish takeaway

Even if you only have \$1,000, you can start building streams of passive income. Pick good quality businesses that also have growth ahead. Re-invest your dividends back into more passive income-paying stocks and your passive income stream could compound quicker than you think.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Dream Industrial REIT	14.37	69	\$0.05833	\$4.03	Monthly
Brookfield Infrastructure Partners	46.41	21	\$0.517	\$10.86	Quarterly
AltaGas	24.81	40	\$0.28	\$11.20	Quarterly
Prices as of February 2, 2022					

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:DIR.UN (Dream Industrial REIT)

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