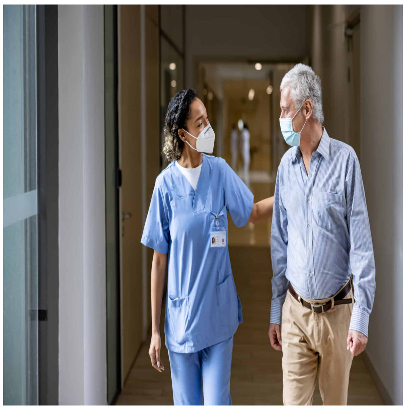

TFSA: Healthcare Dividend Stocks Are Perfect for Passive Income

Description

The **S&P/TSX Capped Health Care Index** rose 0.93% on Thursday, February 2. As usual, this index lived and died with the performance of cannabis stocks. That said, there are still some high performers in the healthcare space that do not qualify as cannabis stocks. Today, I want to zero in on healthcare dividend stocks that can generate big passive income in your Tax-Free Savings Account (TFSA). Let's jump in.

This healthcare stock offers huge passive income for your TFSA

Extendicare (TSX:EXE) is a Markham-based company that provides care and services for seniors across Canada. Shares of this dividend stock have dropped 8.4% year over year as of close on February 2. The stock has jumped 2.6% so far in 2023. Investors who want more detail can play with the interactive price chart below.

Canadian investors should be eager to get in on the long-term-care industry, especially considering Canada's aging population. Grand View Research recently estimated that this market was valued at US$991 billion in 2021. The market researcher expects this space to deliver a compound annual growth rate (CAGR) of 6.5% through to 2030.

This company is set to unveil its final batch of fiscal 2022 earnings after market close on March 2. In the third quarter (Q3) of 2022, Extendicare posted revenue growth of 8.7% to $308 million. Shares of this dividend stock currently possess a very favourable price-to-earnings (P/E) ratio of 9.7. TFSA investors will be happy to gobble up its monthly distribution of $0.04 per share. That represents a fantastic 7.1% yield that will help you rake in passive income going forward.

Here's a REIT that delivers big on passive income

Northwest Healthcare REIT (TSX:NWH.UN) is a real estate investment trust (REIT) that owns and operates a global portfolio of high-quality healthcare real estate. Shares of this Toronto-based REIT have dropped 24% year over year as of close on February 2. The stock has jumped 6.9% in the new year.

In Q3 2022, Northwest Healthcare posted revenue growth of 21% to $115 million. Moreover, it delivered same-property net operating income (NOI) growth of 2.5%. Meanwhile, total assets under management increased 24% to $10.6 billion.

Shares of this REIT last had a very attractive P/E ratio of 8.2. Northwest Healthcare REIT is trading in favourable value territory compared to its industry peers. It offers a monthly dividend of $0.067 per share, which represents a monster 7.8% yield. That means this REIT can deliver big passive income in your TFSA.

One more healthcare dividend stock I'd snag for a TFSA today

Sienna Senior Living (TSX:SIA) is the third and final healthcare dividend stock I'd snatch up in a TFSA to generate passive income. This Markham-based company provides senior living and long-term-care services in Canada. Its shares have dropped 16% year over year. However, Sienna Senior Living stock has surged 11% so far in 2023.

Investors can expect to see Sienna's Q4 and full-year fiscal 2022 results in late February. In Q3 2022, the company posted total adjusted revenue of 11% to $189 million. This dividend stock offers up a monthly distribution of $0.078 per share, representing a very tasty 7.6% yield. TFSA investors can round out their passive-income-focused portfolio with another stock that is geared up for big growth over the long term.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:EXE (Extendicare Inc.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:SIA (Sienna Senior Living Inc.)

PARTNER-FEEDS

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3. Koyfin
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1. Investing

Date
2025/08/13
Date Created
2023/02/05
Author
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