



## 2 of the Best Canadian Stocks That Pay Out Monthly

### Description

No matter how young you are or how much risk you're willing to take on, dividend stocks are some of the best investments that any Canadian can own.

When a stock pays a dividend, it's a sign that its business is more established and can afford to return some of the profits back to investors.

While many think of dividend stocks as companies that pay [significant yields](#), it's important to understand that there are many different types of dividend stocks.

Some stocks pay out less than 10% of their earnings and have dividend yields below 1%. Meanwhile, others aim to pay out all their profits and offer yields above 7%.

Depending on your preferences or how your portfolio is diversified, different dividend stocks will be more ideal for you than somebody else.

But no matter what kind of investor you are, some of the best stocks to buy for the [long haul](#) pay out a significant portion of earnings but also retain cash to invest in more growth.

This way, these stocks can offer both attractive passive income, which is often increasing and offer significant capital gains potential over the long haul.

And when these stocks pay their dividends monthly rather than quarterly, it's even more appealing, because it gives investors the chance to [compound](#) those returns even faster.

If you're looking for high-quality Canadian dividend stocks to add to your portfolio, here are two of the best to consider today.

## One of the best Canadian energy stocks to buy and hold long term

Plenty of Canadian energy stocks pay dividends, but one of the best passive-income generators you can buy, and one that pays a dividend every month, is **Freehold Royalties** ([TSX:FRU](#)).

Because Freehold is a royalty company, it generates tonnes of cash flow. Unlike stocks that produce energy, Freehold spends no money on capital expenditures and, therefore, can pay a significant dividend back to shareholders.

However, while it doesn't need to spend money drilling new wells, Freehold retains some of its earnings in order to buy more land and expand its portfolio. Lately, much of its acquisition activity has been located south of the border, which has helped to diversify its portfolio and even adds more growth potential.

Not only does it offer investors a compelling 6.8% dividend yield, but it also offers impressive long-term growth potential.

In fact, the last two years, where Freehold has been recovering from the pandemic, have been its best two years ever. Prior to the pandemic, the most revenue Freehold ever earned in a year was just shy of \$200 million.

Meanwhile, in 2021, Freehold's sales were \$206 million, and for 2022, they're expected to be just shy of \$400 million.

If you're looking for a high-quality dividend stock that pays an attractive dividend, returns cash monthly, and offers long-term growth potential, Freehold Royalties is one of the best Canadian stocks you can buy.

## A top industrial REIT with excellent growth potential

Investing in real estate has a tonne of advantages, and while most residential real estate investment trusts (REITs) are some of the best you can buy, high-quality industrial REITs, such as **Granite REIT** ([TSX:GRT.UN](#)), offer tonnes of potential as well, making them some of the best Canadian stocks to buy now.

Granite owns industrial properties such as warehouses and distribution centres in Canada, the U.S., and Europe.

Industrial real estate is one of the best subsectors to invest in these days, as the demand for warehouse space has exceeded the available supply for years now.

With the rising popularity of e-commerce and the improving economies of scale, as the popularity grows, many companies have been closing brick-and-mortar locations in recent years, as more sales come from online.

Therefore, with all the increased demand for warehouse space to house inventory, industrial REITs have experienced significant growth and continue to see rental rates rise as leases turnover.

In addition, Granite is a massive REIT with a market cap of more than \$5 billion and one of the best

operators in the space, taking full advantage of the tailwinds that industrial REITs are seeing.

If you're looking to buy one of the best Canadian dividend stocks, Granite also pays out monthly and offers a growing dividend that currently yields roughly 3.9%.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:GRT.UN (Granite Real Estate Investment Trust)

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