



TFSA Investors: How to Make \$4,567 Annually in Passive Income

Description

Creating a passive-income portfolio has been an incredibly hot topic lately. It's easy to see why. After an incredibly hot summer — both physically and within the markets — investors were shocked by October and the market swing that came with it.

Investors were left shaken and perhaps a little better for it. It helps investors to realize that while investments such as those in the cannabis industry are exciting, they aren't what you want to put all your retirement savings into.

The stocks you want are passive-income dividend stocks. These offers investors the perfect buy-and-hold option, so while your cannabis stocks are going up and down like a roller coaster, they stay relatively steady. Even if they don't (after all, a recession could be coming), you'll still receive that passive income from the stock's dividend yield.

If you have that cash in a Tax-Free Savings Account (TFSA) then you can be assured the government won't touch a penny of your passive-income fund. That means you'll know exactly how much money you'll be bringing in every quarter or even every month to put towards reinvestment. Whether that reinvestment is in the stock, other stocks, or your household, is totally up to you.

So, let's take a look at three options that can bring you to more than \$4,500 per year in passive income.

Vermilion

Vermilion Energy ([TSX:VET](#))([NYSE:VET](#)) offers investors the perfect opportunity to buy into this dividend stock. The company has two factors at play that have sent its share price near 52-week lows. First off, there's the oil and gas industry as a whole. Second, the company hasn't had the best books in the past, which has meant investors have been wary to buy the stock, despite low prices within a poor industry. It has quite a bit of debt and not much of a cushion to fall back on.

But that looks like it's about to change in the next few years. The company has seen overall production rise 2% year over year, and funds from operations were up 14% recently. This year, the company

predicts a 19% growth in production, which translates to 8% per share.

Meanwhile, the company offers an incredible dividend of 9.93% that many investors should find hard not to sink their teeth into.

Crombie

Next up, we have **Crombie REIT** ([TSX:CRR.UN](#)), a safe bet within the world of REITs that is currently going through a pretty exciting restructure at the moment.

The redevelopment plan has meant changing the company from pretty much only grocery stores to grocery stores coupled with residential apartments or condominiums. Units that are near grocery stores can [charge higher rents](#), so Crombie is about to make a killing by offering units that are literally above grocery stores. Think about it: who wants to go out and get the milk they forgot during a snowstorm?

Crombie has put aside \$511 million for the project, and this should increase net asset value by 75% over the next two-and-a-half years and gross leasable space by 50%. Along with that share increase, shareholders would also take advantage of a 5.78% dividend yield, dished out monthly.

Suncor

Finally, we have **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)), a firm staple of any good growth portfolio. As one of Canada's leading energy companies, this stock has the potential for a major rise as oil and gas prices rebound. Once they do, the company is set up for significant growth due to its future oil sands projects. Meanwhile, the company is supported by its other arms of its integrated business, meaning it can battle some [market volatility](#).

Analysts are still bullish about this stock's future, including the legendary Warren Buffett. Many analysts believe the stock will rise to around \$63 per share in the next 12 months — a potential upside of 50% as of writing. And, of course, while you wait, there's a 4.03% dividend to keep you happy.

Foolish takeaway

As for that \$5,000, here's the breakdown:

- Investing \$31,750 in Vermilion brings in \$3,019.44 in annual income.
- Investing \$15,875 in Crombie brings in \$913.40.
- Investing \$15,875 in Suncor brings in \$635.04.

That brings you to a solid \$4,567.88 of annual passive income for the cost of your TFSA contribution room.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:VET (Vermilion Energy)
3. TSX:CRR.UN (Crombie Real Estate Investment Trust)
4. TSX:SU (Suncor Energy Inc.)
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