



## Make \$500/Month in Passive Income With This 1 Dividend Stock

### Description

A great way to grow your savings over the years is to invest in some quality dividend stocks. It's hard to argue with making money while doing nothing other than holding a stock in your portfolio. Adding that extra income can help you save more over the long term. And if the stock rises in value, you get the added benefit of being able to generate income both as a result of the capital appreciation earned and the dividend income as well.

However, there can sometimes be risks, as a dividend could be [cut](#) or eliminated without notice, and that's why it's important to find a good stock to invest in. At the end of the day, it's important to feel comfortable with an investment, even if the dividend is no longer there. One dividend stock that could be a great long-term option for investors is **NorthWest Health Prop REIT** ([TSX:NWH.UN](#)).

The stock is coming off a strong quarter that saw revenues rise 7% from the prior year, while profits more than doubled. That's important to see for investors, especially since a stock that's struggling to grow may have to end up cutting its dividend to free up cash flow. In NorthWest's case, the company has been doing a great job of growing its business.

In just three months, the total number of properties in its portfolio has risen from 158 to 169, with gross leasable area up by nearly two million square feet. On top of adding properties, the company's occupancy rate has also improved, reaching 97.2% as of June 30. And with an average lease expiry of 14 years, investors don't have to worry about short-term volatility in the real estate markets.

Healthcare itself is a lot more stable than retail and other properties, and that's where the stock has a lot of value to dividend investors. While its five-year returns of around 15% won't do a lot to excite investors and get them buying the stock, that doesn't change the fact that NorthWest is a good dividend stock. And good dividend stocks don't normally have a lot of volatility in either direction. Over the past three years, NorthWest has averaged a beta of less than 0.90, which means that its swings are milder than those of the market.

### Why the stock is a terrific buy today

Currently, NorthWest's stock is trading at a very modest price-to-book ratio of around 1.4, making it an appealing value investment. Its dividend is also yielding close to 7%, which is also a high payout that can give investors an easy way to accumulate [monthly cash flow](#).

If you're looking to generate an extra \$500 every month, then investing around \$86,000 would be what you'd need to accomplish that. However, if your savings isn't that large, even an investment of \$18,000 would be enough to give you an extra \$100 every month.

With lots of growth opportunities and properties around the world, NorthWest could be a solid dividend stock to put in your portfolio that could be a great way to build your savings for retirement or just generate recurring cash flow for today.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

## PARTNER-FEEDS

1. Business Insider
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