



1 REIT Stock Is All You Need for a \$500/Month TFSA Income Stream

Description

The TFSA might be one of the best investment tools currently available but is still a bit underused at the moment. Many TFSA holders regularly contribute to their accounts and then invest in high-return equities. This pattern translates to a TFSA amount past the six-figure mark. If you aren't one of those TFSA holders, don't worry; there is still time.

If your TFSA hasn't reached six figures yet, you might have made some significant withdrawals. Either way, seeing as how your TFSA contribution limit increases per year, you can create a considerable nest egg with some stable investments. You can still enjoy the benefits of years of compounded income in the future.

For example, let's consider a TFSA worth \$120,000 — a reasonable sum for high-return stock investors. For a decent monthly income in that TFSA, one safe and efficient investment is **Choice Properties** ([TSX:CHP.UN](#)).

Monthly income

If you have the \$120,000 TFSA, you can easily create a \$500 per month income stream. By investing in Choice Properties, one of the largest REITs in the country, you can earn a nice tax-free monthly income to build up your TFSA. Choice Properties has a total of 756 properties, most of them in retail and others in industrial and residential areas.

If you go by the current dividend yield of 5.16%, you get a yearly dividend of \$6,192 and a sum of about \$516 a month. This is a secure, tax-free income of more than \$500 a month. Choice Properties has increased dividends for the past three years. The company is likely to keep this steady pace going on through the harsh economic weather.

A powerful indicator of the company's safety and stability is its partnership with **Loblaw**. Choice Properties enjoys one of the largest retailers in Canada as a tenant, providing the company with continuous and dependable cash flow. This arrangement is also a [recession-resilient cushion](#) for the company.

Solid foundation and growth

Since its inception in 2013, the company has seen steady growth. At the current market price of \$14.35, the company is trading near its all-time high. This value may reach even higher in the future, making it a stock worth holding, not just for dividends but for an increase in value as well.

Spread out over 68 million square feet, the properties that the company owns are selected depending on sustainable locations and future growth prospects.

Unlike the residential real estate market, which sees a downward spiral in recessions and times preceding an economic downturn, retail properties maintain its value. The fact that retail and industrial properties make up more than 90% of the company's properties makes it a [brilliant REIT investing](#) decision.

Foolish takeaway

In the turbulent time of recessions, when giant investors are hoarding cash, you may do the smart thing and diversify your investment portfolio. With safe hedges like Choice Properties, you will not only receive a decent monthly sum in your TFSA; you will also have stocks that might see a steady increase in the coming years.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

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1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)

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