



Turn Your \$6,000 TFSA Into \$100,000 With 1 REIT Stock

Description

A financial miracle of sorts can happen if you understand the very purpose of the Tax-Free Savings Account (TFSA). Although it was named a savings account, it best serves the account holder as an investment vehicle. Your \$6,000 balance or maximum annual contribution limit can potentially grow to as much as \$100,000.

When the facility was introduced in 2009, many eligible Canadians opened a TFSA. Early users took advantage of the TFSA's extreme power to earn a great deal of money. Today, these investors have sizeable TFSA balances.

The key to growing money in your TFSA

High-yield dividend stocks are among [the best investment options](#) when you're starting. You get a bonus if the price of your chosen stock appreciates over time. Bear in mind that all your earnings, dividends, and capital gains are tax-free.

One stock that is emerging as ideal for the TFSA is **Slate Retail** (TSX:SRT.UN). This \$1.5 billion real estate investment trust is among the stocks that pay 8% or higher dividends with less risk of a dividend cut.

Slate Retail's operations are concentrated on well-positioned, grocery-anchored retail plazas. This popular REIT acquired commercial real estate properties in medium-sized cities in the U.S. following the financial crisis. Since then, it has derived real value from neighbourhood shopping centres.

Most of the tenants continue to enjoy good business despite a weaker economy and the e-commerce juggernaut. Americans flock to grocery stores for essentials and daily needs. Slate Retail currently owns 85 properties and has continually maintained an occupancy rate of over 95%.

Growth is on the horizon as Slate Retail prepares for more acquisition after the sale of its non-core assets. There isn't much to expect in so far as price appreciation is concerned. However, it's the 8.72% yield that will bring you a financial breakthrough.

Start small

Assuming you have savings of \$6,000, you can purchase 463.3 stocks of Slate Retail at \$12.95 per share. With the 8.72% dividend, your initial capital could double in 8.25 years.

If you want to push it further, you would need \$6,000 in the first year, then \$2,000 and \$1,000 in the second and third years. An investment window of 20 years for each investing year would bring your \$6,000 to more than \$100,000 on the assumption that Slate Retail's price and yield remains constant.

The sample computation is merely trying to emphasize the advantage of having a high-yield dividend stock in your portfolio. When you invest and hold more shares in your TFSA, money growth accelerates. It's better to start small than not starting at all. The TFSA is unbeatable when it comes to building wealth or [retirement savings](#).

Make a fortune

Slate Retail has a commanding presence in the U.S. due to its ownership and operation of the 50 U.S. metro markets. Its assets have grown to about US\$1.4 billion. There is a long runway for growth given this REIT's diversified portfolio and quality tenant covenants.

You can ride on Slate Retail's growth opportunities today and see your small investment turn into a fortune.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:SGR.UN (Slate Retail REIT)

PARTNER-FEEDS

1. Business Insider
2. Msn
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