



## TFSA Passive Income: Lock In \$572/Month With This Dividend REIT

### Description

A Tax-Free Savings Account (TFSA) is a great investment tool, and people are finally putting it to good use. Once, many would have made the mistake of using it as just another savings account, but now investors are beginning to realize the full potential of a TFSA. Mainly, they're using it to invest in dividend stocks for a consistent passive income. One such stock is **Automotive Properties** ([TSX:APR.UN](#)).

Automotive Properties is a REIT. Real estate has always been considered one of the safest investments. It doesn't fluctuate as much as the stock market tends to. Its less-volatile nature coupled with historically proven capital gains make it a reliable investment for a dependable passive income.

But owning real estate comes with some responsibilities. These responsibilities include managing properties, dealing with tenants, ensuring timely maintenance, and paying taxes. For the people who want to benefit from the best of real estate investment, while staying clear of the hassle of owning and managing properties, REITs are the ideal choice.

### The case for REITs and Automotive Properties

REITs give you a safe, affordable, and comfortable way of investing in real estate. You don't have to have a giant nest egg tucked away in your TFSA to buy stock in a decent REIT. Purchasing an actual piece of real estate would cost you significantly more, considering the average home value of more than \$600,000.

You may receive more in rent and capital gains by investing in [real estate than in a REIT](#). But the initial investment and your subsequent involvement will similarly increase. This involvement will weaken the case for calling it passive income.

Automotive Properties is my pick for a healthy dividend REIT. Founded in 2015, the company has a market cap of \$464.8 million, which makes it a relatively small company. This is one of the reasons this stock gets overlooked by investors. But the [company is stable](#) with a beta of 1.03; it is nearly as durable as the real estate market itself, which, thankfully, is now in full recovery mode.

In the past three months, the company has seen significant insider buying and negligible selling. It shows trust for the company. According to some analysts, the company's annual growth earnings are forecasted to increase by 13.7%, which is .7% more than the market's projected yearly earnings.

Automotive Properties owns 61 properties, totaling to a two million square feet of leasable area. The company works with 32 global brands in the fundamentally strong automotive industry.

## Monthly dividends

Automotive Properties have been paying yearly dividends of \$0.8 per share for the past three years. This translates to a juicy yield of 6.87%. If you have a TFSA with \$100,000 and you use it all to buy in Automotive Properties, you will be receiving a monthly income of \$572.

If you are adamant on \$500 a month in passive income, you can invest \$87,337 and keep the rest for a rainy day.

## Foolish takeaway

REITs are a fantastic option for safe dividend investments. If you use a TFSA for these investments, you will have a cozy passive income amounting to a decent sum. If you have a healthy TFSA of around \$100,000, with a goal for passive monthly income, you might want to consider Automotive Properties.

### CATEGORY

1. Dividend Stocks
2. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. TSX:APR.UN (Automotive Properties Real Estate Investment Trust)

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adamothonman

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