



## Passive Income: How to Make \$30 Per Day in 2020

### Description

No matter how financially disciplined you are, it's always good to have some extra money coming in. That way, even if you don't spend it, you can boost your monthly savings and reach your financial goals sooner. You can increase your monthly income by doing a side business or a part-time job. But it might be a very draining and exhausting endeavour, even if it is quite rewarding.

A better way is to open a passive-income stream. But that's contingent on having a nest egg set aside, ideally worth around \$120,000.

### Become a landlord

Multifamily properties are a very lucrative way of earning money as a rental investor. If you are currently living on rent, buying multifamily properties can also save you a lot in that regard. You can occupy one of the units and rent the others out. An added benefit of that is that if you apply for a mortgage from an owner-occupancy perspective, you can qualify for a lower down payment, usually 10%.

But let's suppose you put the whole \$120,000 down (20%) of a decent \$600,000 property. But multifamily properties at this price, if it has a lot of units, let's say six or eight, will probably be an old construction, something in the 80s or 70s. Newer multifamily properties will either be duplexes or three to four-unit properties. That also varies strongly based on the location.

After paying off the monthly mortgage, utility bills, and routine maintenance expenses, a property like this is likely to earn you \$30 a day. It's a decent enough sum to have as extra passive income. But the problem with being a landlord is that it's not truly passive. You have to take care of the maintenance, tenants related issues, and other relevant tasks. So, a more productive alternative would be to become a passive landlord.

### Passive real estate investor

Investing in real estate through a REIT and other real estate services is as passive as it gets. You have to make an effort in finding the right company; then you can cash in the dividends — a much more laid-back alternative to collecting rents from multiple tenants.

One such company is **Bridgemarq Real Estate Services** ([TSX:BRE](#)), which previously operated as Brookfield Real Estate Services. This \$195 million market cap company works with residential real estate brokers and has a wide network of about 18,000 realtors. The company has a consistent cash flow model, thanks to three-quarters of its franchise fees being fixed in nature.

This allows the company to reward its investors with generous dividends. Currently, the company is offering a juicy yield of about 9.17%, which converts your \$120,000 into \$30.5 a day of passive income. But such high yields often make investors [feel vulnerable](#) to stock performance. So, there is another way to keep up your passive income.

## Aristocratic yield and leveraging growth

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is Canada's largest telecom company by market cap (\$58.8 billion). And with two of its peers, it operates in a relative oligopoly, with no other major competitors threatening the king. It's also a Dividend Aristocrat and has increased its payouts for 10 consecutive years. Currently, the company is offering a yield of 5.17%, [which will get](#) you about \$17 a day, which is quite far from the \$30-a-day mark.

Here is where we will leverage the growth of the company. The company has a five-year CAGR of 8.43%. So, even if you sell \$5,000 worth of BCE stock a year to reach your \$30-a-day goal, the company is likely to recover it with its yearly growth.

## Foolish takeaway

The best part about passive income is that in one way or another, it will increase. As years grow, you will gain equity on your mortgaged property. If the company increases its dividends or grows its market value, you will have a higher passive income and capital gains.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:BRE (Bridgemarq Real Estate Services Inc.)

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