



3 Ways to Build Passive Income and Never Work Again!

Description

The COVID-19 pandemic has changed the nature of work in 2020. Many Canadians who dreaded the daily commute have been forced to move their office to their homes. Some have loved this transition, while others may not find working at home that appealing for the long term. The boldest among us may dream of the days when they will never have to work again. Those [dreaming big](#) should work to build a passive-income empire.

When it comes to passive income, there are multiple avenues that Canadians can consider. These roads vary in terms of difficulty, chances of success, and sustainability. Today, I want to look at three ways you can start your passive-income construction.

Generate passive income in a Tax-Free Savings Account

One of the clearest ways to generate passive income is the investing route. In Canada, investors can produce tax-free passive income with the help of a Tax-Free Savings Account (TFSA). Right now, the cumulative contribution room in a TFSA is \$69,500. Investors who weigh their portfolio heavily in high-yield dividend stocks can soak up a lot of tax-free income.

Northwest Healthcare Properties REIT ([TSX:NWH.UN](#)) is one of my favourite real estate investment trusts on the TSX. Healthcare is also one of the best sectors for investors to expose themselves to right now. Shares of Northwest Healthcare have climbed 4.6% in 2020 as of close on November 12. The stock is up 6.9% year over year.

Better yet, this stock offers a monthly dividend of \$0.067 per share. That represents a tasty 6.7% yield. Its shares last had a favourable price-to-earnings ratio of 13 and a price-to-book value of 1.3. This is an attractive stock for TFSA investors and a strong source of passive income.

Create an e-commerce store

The digital age has allowed for a slew of ambitious merchants to build a retail footprint with a fraction of

the cost of a brick-and-mortar store. This can also empower merchants to add another notch to their passive-income empire. E-commerce merchants can generate huge income if they are able to locate and exploit the right niche. Moreover, they have valuable platforms like **Shopify** to help them build it.

In September, I'd discussed the rise of e-commerce in 2020 and how it has bolstered Shopify's explosive stock. More consumers than ever before have migrated to digital spaces to do their shopping. It is [easier than ever](#) to jump into this lucrative space.

Passive income: Invest in real estate

Real estate can be an incredibly lucrative source of passive income, but it can also be a very challenging space to enter. Valuations have continued to climb over the past 15 years. Even established young professionals are having trouble entering the real estate market in the present day. However, those who do obtain a footprint can hang their hat on the gains in the market and on passive-income generation.

This is also a time-tested source of passive income. People will always be on the lookout for places to live.

CATEGORY

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

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