



3 Stocks That Will Earn You \$1,000 Monthly Income

Description

The frequency of payouts matters to some dividend investors because the [regular cash flow](#) helps savings grow faster. Several **TSX** stocks pay monthly dividends. If you want exposure to the real estate sector, most real estate investment trusts (REITs) also pay every month.

Freehold Royalties ([TSX:FRU](#)), **Atrium Mortgage Investment** ([TSX:AI](#)), and **Automotive Properties** ([TSX:APR.UN](#)) pay [higher-than-average yields](#). A \$1,000 monthly income target is achievable over time.

Royalties from lease-out programs

Freehold Royalties trades at \$9.84 per share and pays a lucrative 4.85% dividend. The \$1.29 billion oil and gas royalty company acquire and actively manage mineral titles and royalties on oil and gas properties across Western Canada.

The size of its land holdings is more than 6.7 million gross acres. Freehold's independently owned portfolio of royalty lands is also one of the largest in the country. This royalty firm creates value by driving oil and gas development in the lands. Freehold generates gross overriding royalties through its lease-out programs.

Acquiring high-quality assets is an ongoing concern. However, the acquisition targets must have acceptable risk profiles and long economic life. In Q1 2021 (quarter ended March 31, 2021), the business appears to be back to normal, given the substantial improvements in operating and financial results versus Q1 2020.

Freehold's royalty and other revenue increased by 40%, while net income was \$5.6 million versus the \$9 million net loss in the same period last year.

Conservative risk parameters

Atrium Mortgage is an attractive option. This \$622.75 million company from Toronto provides financing solutions to the real estate communities in key markets such as Alberta, British Columbia, the Greater Toronto Area, and non-GTA Ontario. The share price is \$14.66 (+19% year to date), while the dividend yield is a high 6.18%.

The business is steady, as evidenced by the Q1 2021 (quarter March 31, 2021) earnings results. While revenue dipped slightly versus Q1 2020, the \$9.87 million net income was nearly the same. Atrium's mortgage portfolio is high-quality, given that 82.7% are first mortgages and the loan-to-value of 92.1% is 75%.

Atrium charges higher interest rates than banks or traditional lenders. However, it wins customers over because of speedy processing, flexible loan offerings, and excellent service. The monthly dividend payouts should be secure because this non-lender maintains conservative risk parameters.

Growth-oriented REIT

Automotive Properties is a growth-oriented REIT with strong underlying fundamentals. It has a market capitalization of \$490.28 million and owns automotive dealership properties. At \$12.55 per share, the dividend offer is a hefty 6.41%. The COVID-19 pandemic hurt the auto industry in 2020, with sales dropping 20% versus the prior year.

However, the improving situation reflects in the REIT's Q1 2021 (quarter ended March 31, 2021) results. The rental revenue and net income increased by 4% and 67% compared to Q1 2020. It collected 100% of the contractual rate base for the quarter. Similarly, the REIT collected 100% of expected rents in April and May 2021.

Automotive Properties owns 66 income-producing properties that house popular brands such as **Ford**, Chrysler, Honda, and Kia. Would-be investors can expect long-term income as the weighted average lease term is approximately 12.4 years.

Gradual build-up

Creating \$1,000 income per month takes time. Start small, then gradually build up your holdings. Since the average yield is 5.81%, you should amass at least \$206,500 worth of shares combined to eventually hit your goal.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AI (Atrium Mortgage Investment Corporation)
2. TSX:APR.UN (Automotive Properties Real Estate Investment Trust)
3. TSX:FRU (Freehold Royalties Ltd.)

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