



## How to Generate Over \$300/Month in Tax-Free Income

### Description

In the beginning of 2021, I'd [discussed](#) how investors could generate passive income in their Tax-Free Savings Account (TFSA). The TFSA is a fantastic vehicle for growth, especially for young investors, but you can also rely on this registered account to churn out tax-free income. Today, I want to discuss how investors can generate over \$300/month in tax-free [income](#) going forward.

For this hypothetical, we're going to be using all the available cumulative room in a TFSA — \$75,500. However, this number will be lower for Canadians who became eligible after the first year of the TFSA's inception.

### One of the largest REITs in Canada can churn out income in your TFSA

**H&R REIT** ([TSX:HR.UN](#)) is one of the largest real estate investment trusts (REITs) in the country. Its shares have climbed 25% in 2021 as of early afternoon trading on August 30. The stock has increased 61% in the year-over-year period.

We're going to be using roughly \$25,000 to make an investment in H&R REIT. The REIT closed at \$16.25 per share as of close on August 27. In this instance, we can scoop up 1,540 shares of H&R REIT, valuing at \$25,025. H&R REIT offers a monthly dividend of \$0.058 per share, which represents a solid 4.2% yield. That means that TFSA investors can scoop up \$89.32 in monthly income.

### Here's an office-focused REIT that offers a big dividend

**Slate Office REIT** ([TSX:SOT.UN](#)) is another REIT that is a pure-play owner and operator of strategic office properties across North America. The reopening promises to bring more workers back into the office, which should provide some relief for this space in the coming months. Shares of Slate Office REIT have climbed 29% in the year-to-date period.

This REIT closed at \$5.44 per share on August 27. We have the room to snag 4,600 shares of Slate Office REIT into our TFSA. That works out to \$25,024 as a purchase price. The Slate Office REIT last paid out a monthly dividend of \$0.033 per share, representing a tasty 7.4% yield. TFSA investors can count on \$151.80 in monthly income for this example.

## Round out your TFSA income with this stock

**Crombie REIT** ([TSX:CRR.UN](#)) is a REIT that I'd [recommended](#) for retirees back in March 2020. The largest unitholder of this REIT is **Empire Company**, which controls the Sobeys supermarket chain. Shares of Crombie REIT have climbed 28% so far this year.

The Crombie REIT closed at \$18.24 per share on August 27. We are going to use the same method of the last two REITs for the purchase. In this example, we can snag 1,370 shares valued at just under \$25,000. The Crombie REIT offers a monthly distribution of \$0.074 per share. This represents a 4.9% yield. TFSA investors can then rely on monthly tax-free income of \$101.38.

If we take all three investments together, TFSA investors can scoop up monthly income of \$342. That works out to just over \$4,100 in annual tax-free income.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:CRR.UN (Crombie Real Estate Investment Trust)
2. TSX:HR.UN (H&R Real Estate Investment Trust)
3. TSX:RPR.UN (Ravelin Properties REIT)

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aocallaghan

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