



1 Cheap Stock to Make \$3,992 in Passive Income

Description

If you're a Motley Fool investor seeking long-term passive income, you might be looking for a real estate investment trust (REIT) today. But there are a lot to choose from, so it doesn't just make it easy by picking this one sector. However, today I'm going to cover one cheap stock that investors can pick up that has a substantial yield on the **TSX** today. That yield is stable, safe, and shares of this company are likely to boom in the next year and beyond.

That magic stock?

Slate Grocery REIT ([TSX:SGR.U](https://www.slategroceryreit.com)). Slate Grocery operates grocery chains in the United States, focusing on acquiring new properties again and again. The company boasts durable cash flows and recent acquisitions during this low-interest environment. All while continuing to dish out a [dividend yield](#) of 7.97% as of writing!

The company continues to be strong even during the pandemic. During the latest earnings report, it was clear an economic recovery was underway. The cheap stock reported it added 25 properties in an acquisition worth US\$390 million, with revenue reaching US\$33.4 million, a boost of 10.3%. Meanwhile, its leases rose by 175%!

Yet even with all this great news, this cheap stock is still a steal for Motley Fool investors. You can pick it up for its passive income at a P/E ratio of just 7.23. That's likely because investors are still wary of the Delta variant moving around. But this company seems to have supported growth even during the pandemic.

Did I mention it's cheap?

Shares of the stock trade at just \$13.65 as of writing. Those shares are now back at [pre-pandemic](#) levels after the major crash and growing. Now let's say you want to use your Tax-Free Savings Account (TFSA) to invest in this company and bring in passive income. Currently, the contribution limit is \$75,500 for 2021. However, for the purpose of this example, let's say you'll invest \$50,000 into your

TFSA.

While it doesn't look like shares will grow incredibly fast over time, you can still bring in this stellar dividend yield. As I mentioned, it currently sits at around 8%. And that dividend is dished out monthly, so you can add it to your passive income portfolio just like a paycheck.

If you were to invest \$50,000 into Slate Grocery REIT on the TSX today, you would walk away with 3,663 shares as of writing. That would bring in an annual income of \$3,992! Given out each month, that comes out to about \$333 each and every month to add to your account.

But don't stop there. You can use those funds to buy even more shares. That \$333 would buy a further 24 shares right now, bringing annual passive income even higher. And while shares grow slowly, this cheap stock grows at a stable rate. And the more you buy, the more it adds up.

Bottom line

As I mentioned, this is just an example. If you were to buy \$50,000, great! But it doesn't have to be that much. You can also drip feed into a cheap stock like this, buying more when an opportune moment arises on the TSX today. The point is it's a solid, stable long-term investment that will provide you with years of passive income.

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1. TSX:SGR.U (Slate Retail REIT)

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Date

2025/07/04

Date Created

2021/09/04

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