



Passive Income in Canada: How to Easily Earn \$7.99/Day

Description

Earning passive income is a breeze these days, but only if you have the funds or free cash to invest in the stock market. Some people think you need substantial seed capital to start [dividend investing](#). You can always start small then slowly accumulate shares as you go along.

The TSX is home to generous income-producing assets. A formidable combination is a royalty stock and a real estate investment trust (REIT). The average dividend yield is 5.755%, so if you have a \$25,000 position in each stock, you can easily earn \$239.79 per month, or \$7.99 per day.

Another important tip is that both stocks are eligible investments in a Tax-Free Savings Account (TFSA) and Registered Retirement Savings Plan (RRSP). Use your available contribution limits in either investment account for tax-free money growth.

High-flying royalty stock

Very seldom will you see a high-flying royalty stock on the TSX. However, **Freehold Royalties** ([TSX:FRU](#)) in the [energy sector](#) had a total return of 134.41% in 2021. As of January 19, 2022, the share price is \$12.59 (+8.07%), while the dividend yield is 5.67%.

The \$1.73 billion company isn't an oil producer but an oil and gas royalty company with working interests in oil, natural gas, and potash properties in Western Canada and the United States. Freehold's primary focus is to provide investors with lower-risk returns and growth over the long term.

Freehold has high-netback portfolio of mineral titles and royalties on oil and gas properties across North America. According to management, quality assets translate to sustainable dividends. Investors should note that the royalty stock has raised its dividends five times since late 2020.

Usually, dividend increases reflect higher commodity prices, increased capital spending on royalty lands, and enhancements in the acquired properties, according to management. Freehold is extremely happy that its top payors in Canada and the U.S. continue to promote progressive ESG strategies through all facets to improve its ESG portfolio.

In Canada, Freehold's top operators are **Canadian Natural Resources**, **Crescent Point**, **Whitecap**, **Tourmaline**, and **Tamarack Valley Energy**. The first three are leaders in carbon-capture development and sequestration projects.

REIT at centre stage

The global pandemic pushed **NorthWest Healthcare Properties** ([TSX:NWH.UN](#)) to centre stage. This \$2.96 billion firm is the only REIT in the cure sector. It owns and operates healthcare real estate infrastructure like hospitals, clinics, and medical office buildings.

NorthWest wasn't a high flyer in 2021 like FreeHold Royalties, although it was steady performer (16.54% total return). If you invest today, the share price is \$13.59, while the [dividend yield](#) is a lucrative 5.84%. Management has yet to report the full-year 2021 results, although it was already pleased with the solid operating results after three quarters.

At the end of Q3 2021, portfolio occupancy was 96.9% and the weighted average lease expiry is 14.1 years. For the international portfolio, the figures are 98.5% (occupancy rate) and 17.2 years (lease expiry). Management is confident that NorthWest remains well positioned to execute its strategic priorities in 2022. The focus is on growth and balance sheet optimization.

Earn with minimal effort

Canadians can save and invest to earn passive income with minimal effort. The key is to pick generous and reliable income providers.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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