



3 Cheap TSX Stocks for Monthly Passive Income

Description

If you are looking for reliable monthly passive income, **TSX** stocks are a great place to look. Unlike an investment property or a small business franchise, stocks are liquid (easy and cost effective to trade) and reasonably care-free investments.

Keep your income passive by owning TSX stocks

Certainly, it is crucial to do your research before buying a stock. Make sure you understand the business, its balance sheet, and factors that contribute or detract from its cash flows. You want to know that the passive income it produces is sustainable, predictable, and reliable.

However, once you have done that, all that is required is a quarterly or annual check-up on the business. A good company will pay that [dividend](#) consistently, but a great company will also grow that dividend stream. Other than that, passive income from stocks is truly that: passive. Here are three cheap TSX stocks you may want to consider for your search for passive income.

Pembina Pipeline: A top TSX infrastructure stock

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) has one of the most attractive yields among TSX stocks. Despite a 7% gain in 2022 alone, it still yields 6.11%. That equates to a \$0.21-per-share dividend every single month. If you put \$10,000 into this stock you would collect over \$50 per share every month.

With energy prices soaring, Pembina is sitting in a sweet spot. It operates crucial pipelines, midstream/processing plants, and export terminals across the United States and Western Canada. Higher oil and natural gas prices mean higher volumes and higher margins for Pembina.

It only trades for 16 times earnings today. For a lower-risk way to play rising energy prices, Pembina offers a great combination of dividends and capital upside.

Dream Industrial REIT

Dream Industrial REIT ([TSX:DIR.UN](#)) operates 39 million square feet of well-located, high-quality warehouses and logistics properties across Canada, the United States, and Europe. It pays a monthly distribution worth \$0.05833 cents per unit. On an annual basis that equals a nice 4.4% dividend. \$10,000 invested in this stock would provide around \$36.70 every month.

E-commerce, on-shoring, and supply chain issues have meant industrial real estate demand is extremely elevated. This has been a major tailwind for Dream. It has +98% occupancy, and it is enjoying double-digit rental growth. This TSX stock has a great balance sheet and still has room for more acquisition growth in 2022.

This is one of the cheapest industrial stocks in Canada and the United States, but not for lack of quality. For a nice yield and great assets, this is a great TSX passive-income stock.

European Residential REIT

Another great TSX [real estate](#) stock is **European Residential REIT** ([TSX:ERE.UN](#)). It operates multi-family properties in the Netherlands. It is a great way to diversify your portfolio outside North America. This REIT pays a \$0.013-per-unit distribution every month. That is equivalent to a 3.8% annual yield. \$10,000 in this stock would deliver \$31.70 every month.

The Netherlands is an ideal multi-family market, because there is limited housing supply and very resilient rental demand. This has been supporting strong organic rental rate growth. Likewise, the REIT has been [acquiring](#) high-quality apartments across the Netherlands's top cities.

This should help fuel high single-digit/low-teens cash flow growth this year. That could also translate into further dividend growth this year. Despite superior growth and fundamentals, European Residential is still one of the cheapest apartment REIT stocks on the TSX. Consequently, it is a great bargain today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:ERE.UN (European Residential Real Estate Investment Trust)
4. TSX:PPL (Pembina Pipeline Corporation)

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Date

2025/08/24

Date Created

2022/02/09

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