



Passive Income in Canada: Earn \$8/Day Without Working

Description

There are a lot of ways to earn a passive income, but not all are financially or practically viable for most investors. For example, being a landlord is perhaps the world's oldest form of passive income, but at current property prices, it's too "out of league" for most retail investors.

However, there is one way to become a landlord and enjoy rental income (in a sense) that's even more hands-off and significantly more financially viable than buying actual real estate: investing in REITs. And if you add dividend stocks in general to this passive income generation pool, then you get a lot more choices.

And if you want to earn a small, daily passive income without exhausting your fully-stocked TFSA and RRSP, there is a REIT and a capital market company that should be on your radar.

A REIT

Slate Office REIT (TSX:SOT.UN) stock has seen a steady decline since 2015, which pushed the stock down about 32% by its 2020 peak. It has come down further from that point (13%) and seems to have normalized around the current \$5.10 per share price. And the discount is not just in the share price but value as well.

[The REIT](#) is currently trading at a price-to-earnings of just 8.7 and price-to-book of about 0.7, making it fundamentally and comparatively quite attractively undervalued. And the share price drop has contributed to the sizeable rise of its yield, which is currently 7.82%. And this yield is supported by a healthy payout ratio of 73.8%, which is the second-lowest since 2014.

At this yield, the REIT can offer you about \$4.28 a day in dividends if you invest \$20,000 in it, which is less than a fourth of a fully-funded TFSA.

A capital market company

Alaris Equity Partners ([TSX:AD.UN](#)), [a company](#) that invests in other businesses when they require capital but don't want to give up control, is an investment worth considering. However, its performance so far has been far from compelling. The stock rose magnificently between 2009 and 2013, but after hitting its peak, the stock has mostly gone downward.

The stock *has* grown at a decent pace since the 2020 crash, and its value is already up by over 147% from its crashed price. And judging by the undervaluation, the stock may keep growing, albeit at a steady pace, since it has yet to even reach its pre-pandemic valuation.

But the capital appreciation potential might just be the cherry on top of the sundae that is its dividends. At its 7.1% yield, the stock can offer you about \$3.89 a day with \$20,000 invested.

Foolish takeaway

Together, the two [dividend stocks](#) could offer you over \$8/day in passive income without requiring you to lift a finger. Slate Office already slashed its dividends once, and at its current payout ratio, another dividend cut seems unlikely. Alaris is highly likely to raise its payouts instead of slashing them.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)
2. TSX:RPR.UN (Ravelin Properties REIT)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
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Date

2025/09/11

Date Created

2022/02/20

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