



Passive-Income Power: Earn \$99/Week TAX FREE With 3 Top REITs

Description

[Passive income](#) is money earned from very little or no active labour on the part of the investor. The establishment of a strong passive income is a major milestone. Today, I want to discuss how investors can achieve that goal with the aid of [real estate](#) investment trusts (REITs). These are fantastic sources of income in this market. Moreover, I want to target these REITs in a Tax-Free Savings Account (TFSA), which will allow us to generate tax-free income going forward. Let's jump in.

This healthcare REIT offers defence and big dividends

Northwest Healthcare REIT ([TSX:NWH.UN](#)) is a Toronto-based REIT that offers investors exposure to healthcare real estate around the world. Its shares have increased 1.1% in 2022 as of late-morning trading on April 13. The stock is up 5.6% in the year-over-year period.

This REIT proved to be a top defensive option for investors during the COVID-19 pandemic. Indeed, investors should bet on increased activity at healthcare facilities going forward. This will be bolstered by aging populations across the developed world.

Shares of this REIT were trading at \$13.82 in mid-morning trading today. In our hypothetical, we'll snatch up 1,965 shares for a total purchase price of \$27,156.30. Northwest Healthcare currently offers a monthly distribution of \$0.067 per share, representing a 5.7% yield. This will allow us to generate weekly passive income of \$30.38 in our TFSA going forward.

Passive-income investors should look to target True North today

True North REIT ([TSX:TNT.UN](#)) is another REIT that operates a portfolio of office properties across Canada. This stock has dropped 6.1% in the year-to-date period. That has pushed the REIT into negative territory from the prior year.

In 2021, True North saw its same property net operating income (NOI) rise to \$88.4 million compared to \$87.9 million in the prior year. Meanwhile, adjusted funds from operations (AFFO) remained flat in the year-over-year period.

This REIT was trading at \$6.97 per share at the time of this writing. In this scenario, we'll look to snag 3,900 shares of True North REIT for a purchase price of \$27,183. True North last paid out a monthly distribution of \$0.05 per share. That represents a monster 8.5% yield. This investment will allow investors to generate tax-free passive income of \$45 on a weekly basis.

One more REIT that can complete your passive-income portfolio

American Hotel REIT ([TSX:HOT.UN](#)) is the last [REIT](#) I'd look to target to build a passive-income portfolio. Investors may want to target this space, as travel demand and tourism is on the rise after two pandemic-ridden years. Shares of this REIT have climbed 1.5% in 2022.

The American Hotel REIT was trading at \$3.85 per share in mid-morning trading on April 13. For our final purchase, we'll pick up 7,050 shares for a total purchase price of \$27,142.50. This REIT last paid out a monthly dividend of \$0.015 per share. That represents a strong 5.8% yield. We can now count on weekly passive income of \$24.42 going forward.

Bottom line

These REIT purchases will allow investors to generate weekly passive income of \$99. That works out to annual tax-free income of over \$5,000.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:HOT.UN (American Hotel Income Properties REIT LP)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

PARTNER-FEEDS

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