



TFSA Investors: 1 Passive-Income Stock for \$7,551 Per Year!

Description

Passive-income stocks are still one of the top choices for Motley Fool investors on the **TSX** today. But if you want value and growth along with your dividends, then today, we're going to focus on one passive-income stock to get you there.

NorthWest Healthcare

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](https://www.scribd.com/document/444444444/TSX:NWH.UN)) is a strong [real estate investment trust](#) (REIT) that saw substantial growth over the last few years. The healthcare REIT acquires any type of building that's connected to the healthcare industry. These properties also include purchasing REITs as well, which the company did last year when buying up an Australian healthcare REIT.

NorthWest is a strong passive-income stock because of this diversified portfolio, which now includes properties in the United States. Growth has been going strong as well, thanks to an increase in privatized healthcare the company is getting in on.

And I'd be loath to forget the affects from the pandemic. Interest rates were low and healthcare use was up. This led to an increase in lease agreements, with the company now boasting a 14.6 global lease agreement and high occupancy rates.

Passive income

All this is to say that NorthWest is a strong, supported passive-income stock that can afford to keep dishing out payouts. Investors can currently lock in a dividend yield of 6.21%. That amounts to \$0.80 per share on an annual basis.

While that doesn't look like much, take a look at NorthWest stock, and you'll see the company also offers a share price of just \$12.87. That means you're bringing in substantial dividends compared to its cheap share price.

Furthermore, the company trades in value territory at just 6.06 times earnings. Analysts also project it could reach a share price of \$15.31 in the next year. That would create a potential upside of 19% as of writing.

Creating passive income

If you want to create a strong line of passive income for your [Tax-Free Savings Account](#) (TFSA), NorthWest is one of the best ways to do it. Motley Fool investors can lock in that rate within value territory and start bringing in dividends each and every month.

Let's say you were to use \$30,000 to invest in NorthWest today. That would bring in \$1,864 each and every year! Coming out monthly, that's an additional \$155 per month to look forward to.

But it gets even better. Let's say you see your shares rise to that potential upside suggested by analysts. That would mean your \$30,000 investment would turn into \$35,687! That's a return of \$5,687. On top of that, you have your \$1,864, of course. Together, that's total returns of \$7,551 from just one year of investment.

Bottom line

If you want a strong passive-income stock, NorthWest stock is one to bring in long-term, substantial funds. While the company hasn't grown its dividend in a long time, it hasn't shrunk either. This provides you with a stable method of income just like a paycheck. All while seeing your returns rise higher and higher from the company's stable business operation.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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