3 Canadian Stocks to Buy for $455 in Monthly Tax-Free Passive Income

Description

The Tax-Free Savings Account (TFSA) currently have a contribution limit of $81,500. That's $81,500 of tax-free investments that you could be growing year after year. And right now is the best time to get started, or at the very least to juggle around your portfolio and find passive income.

The **TSX** today is down about 12% year to date. That's an enormous discount that's even higher for some of the best companies out there — companies that have more than doubled in the last decade, even with this recent drop.

And that's the key when you're investing in your TFSA. Investors need to think long term. This has proven again and again to be the surest way to get rich and create an enormous portfolio. Today, I'm going to look at three solid Canadian stocks that could turn your $81,500 into riches, with passive income each month.

NorthWest Healthcare

For some of the best passive income I would look at **NorthWest Healthcare Property REIT** (TSX:NWH.UN). The company boasts a 6.45% dividend yield at the time of writing. It's also down 7.66% year to date as of writing.

But in the last five years, NorthWest has climbed 64.5%, a compound annual growth rate (CAGR) of 10.5% during that time! So, while you're watching your shares climb back after the fall on the TSX today, you can look forward to locking in some high-yield passive income at this low price.

And I mean low. NorthWest is a solid REIT with stable cash flow thanks to long lease agreements, global diversification, and high occupancy. Yet it trades at just 6.85 times earnings. If you were to put a third of your $81,500 towards this stock, it would pay out $143 per month.

Atrium Mortgage

Another great opportunity for passive income is **Atrium Mortgage Investment** (TSX:AI). This mortgage firm offers a whopping 7.87% dividend yield right now, yet shares are down 16% year to date. That alone makes it a great buy, yet it seems many worry about the rise in interest rates.

And while that's fair, it won't last forever. Instead, look at the company's performance. Atrium has grown 33% in the last five years for a CAGR of 5.88%. That's quite stable, considering the housing crisis we've been going through. And right now it means you can lock in a sky high dividend yield.

Atrium trades at just 11.42 times earnings. That's incredibly cheap for a company that will be back up in high business once the interest rates level out. If you put another third of your TFSA cash towards this stock, you would earn $178 in monthly passive income.

Dream Industrial

Finally, **Dream Industrial REIT** (TSX:DIR.UN) is another company offering significant value for long-term passive income in your TFSA. The industrial REIT has a 5.87% dividend yield, with shares down 28% year to date. This comes from the fall in the markets but also from the e-commerce sector, where industrial properties have ties to the industry.

That's all true, but e-commerce is the future. Once inflation levels out and Canadians get back to shopping, they'll be in full force. And Dream has been creating a global presence, buying up industrial properties for this eventuality. And yet it trades at just *three* times earnings! All while growing 83% in the last five years for a CAGR of 12.88%.

So, if you're looking for high growth in returns along with high monthly income, this is a great hold to consider. Another third of this stock would bring in passive income of $134 each month. Altogether, you could end up with a portfolio of $455 each month tax free!

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AI (Atrium Mortgage Investment Corporation)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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Author
alegatewolfe