



1 Ultra-Safe, Passive-Income Stock I'd Buy Right Now

Description

Don't be tricked, Motley Fool readers. Despite the **TSX** today continuing to climb 4% in the last two weeks, the [index is still down](#) by about 10% year to date. And economists aren't optimistic the economy will make a sudden turn for the better.

At this time, it's a great idea to find passive income stocks — but not just *any* passive-income stock. You need to find a company that's valuable on the TSX today and due to climb in the years to come. Find a company that has a solid path to profitability and that will pay you in dividends while you wait.

Here's the one I would consider buying right now.

Granite REIT

Granite REIT ([TSX:GRT.UN](#)) is a solid option for those seeking long-term growth. The company saw its share price climb in the last few years thanks to its connection to the e-commerce industry. The [real estate investment trust](#) (REIT) focuses on the development and acquisition of industrial properties. This includes everything from storage and warehouses to assembly and shipping.

But shares have also come down due to this connection to e-commerce. And that's what makes the stock valuable today. Because, honestly, Granite isn't suffering. Second-quarter earnings are around the corner. But during its first-quarter earnings report, Granite reported a 12% year-over-year increase in net operating income. Further, its adjusted funds from operations rose by 20.4%, with the company closing \$193.6 million in acquisitions

This is all thanks to a global portfolio within an easy-to-manage industry. So, yes, shares are down 24% year to date, but they trade at 3.32 times earnings, making it an incredibly valuable stock to jump in on.

How much passive income are we talking here?

Granite has been around as a passive-income stock for over a decade, so you can look back at a fair amount of time to see its historical movements. For its share price, the company has grown 226% in the last decade. That includes the drop on the TSX today. Even still, that comes to a compound annual growth rate (CAGR) of 13.16% as of writing.

Then there's the dividend to consider. Right now, Granite offers a dividend yield of 3.86%. That comes to a dividend of \$3.10 per share annually, which is quite high for an REIT. That dividend has grown at a CAGR of 11.25% in the last decade as well.

If you were to base your growth on this past historical performance, here's what you could get. Let's say you make \$60,000 and can afford to put \$10 aside for investing. That's \$6,000 you can put towards Granite, as an example. Based on past performance, if you were to put aside \$6,000 and see it grow for the next decade, you could have a passive-income portfolio worth \$160,792!

Or let's say you want to invest this \$6,000 just this year and leave it alone, reinvesting just the monthly passive income. That passive income alone would be \$235 annually. In this case, you could have a portfolio worth \$29,251 in a decade! In any scenario, this is an ultra-safe, passive-income stock that's a steal on the TSX today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:GRT.UN (Granite Real Estate Investment Trust)

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2. Koyfin
3. Msn
4. Newscred
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