



## Want Passive Income? 1 TSX Stock for \$8/Day in Dividends

### Description

A high yield — it's something that many Motley Fool investors may focus on when they look for passive income through [dividend](#) stocks. But there's always a red flag lurking in the background, causing many investors to rethink whether they should buy the stock.

While passive income from dividends is great, as is a high yield, what's just as important is figuring out how safe that yield is. For instance, a **TSX** stock might be falling in share price, thereby making its dividend yield seem higher, when really, it remains at the same price. Another problem could be the yield is up, but revenue is falling. This could mean a cut could be coming in the future.

Today, I'm not going to focus on the poor examples and one *great* example — a TSX stock that can pay you \$12 per day in dividends. That passive income should last a lifetime, even if shares climb at a turtle pace.

### A great sector and historical growth

If you're looking for a stable, passive-income provider, you need to consider the sector and history behind the TSX stock. Have payouts been consistent? Have there been no or at least very few dividend cuts? And is it in a sector that's bound to be around no matter what the market does?

If you can check off these boxes, it's likely that Motley Fool investors can find a TSX stock that fits your portfolio. Some great sectors for passive income include commodities and [real estate](#). These are areas of the market that do well even during a recession. Commodities are necessary items like copper, silver, potash, and coal. Meanwhile, real estate could be solid from long lease agreements.

To get a combination of this, **Dream Industrial REIT** ([TSX:DIR.UN](#)) is a great option. The industrial company focuses on the warehouses and assembly spaces that come with industrial use. It enjoys the long-term lease agreements from being a real estate investment trust (REIT). Further, it's in a solid space that simply stores products, not people. Therefore, it just relies on purchasing power — something that will always come and go only temporarily.

## Dream continues to be a stable buy

During its last earnings report, Dream Industrial REIT continued to see growth through acquisitions around the world. Even in the face of shrinking e-commerce use, the company posted a 7% year-over-year increase in net income. Further, rental income rose 34.5% year over year, with its diluted funds from operations up 12.6%. It now has \$7 billion in total assets, up 15%, with its net asset value per unit up 21.5%.

This is important to note, because shares currently trade at just \$12.75 as of writing. Yet its asset value is at \$16.64, leading to potential growth for investors. But even without that growth, Motley Fool investors can make a killing from the TSX stock and its passive income.

Dream has been on the market for almost a decade now, with dividends remaining completely stable during that time. Meanwhile, revenue continues to rise, as the company puts money into acquiring and growing its business. This could mean that investors should expect a rise in passive income soon.

That's especially since shares have risen at a stable rate as well. Shares rebounded quickly from the March 2020 crash and have already started climbing back to pre-fall prices back in February. Even with that fall, shares are up 132% since 2014 — a compound annual growth rate of 8.91%.

## Make \$8 per day!

To make that \$8 per day, you need to bring in \$2,920 in passive income from Dream. The company has a yield of 5.6% as of writing, so that would mean you need to purchase 4,171 shares. That would bring you total investment at writing to \$53,185 as of writing.

Dividends shouldn't be the only thing you look for when seeking out passive income. And Dream REIT is a great one to consider if you want stable income that will last years — all with a 5.6% yield that's still pretty drool-worthy.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)

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