1 TSX Stock to Create $150 in Passive Income Every Month

Description

If there's anything investors could use right now, it's extra cash. After all, shares are down on the TSX, and while that's not so great, it does provide a strong opportunity — especially if you're looking for passive income.

In fact, passive-income stocks are exactly what you should be looking into right now. You can pick up a strong TSX stock with a high dividend yield — *much* higher than you would get when the TSX stock trades at 52-week highs.

And today, one of the best options you can pick up is **Slate Grocery REIT** (TSX:SGR.UN).

Why Slate REIT?

Unlike other real estate investment trusts (REITs), Slate is a great TSX stock offering a *stable* dividend yield. I emphasize that it's stable, because the company can continue to pay out the funds, whereas other REITs may not be able to.

As you may know, we're going through a downturn in the housing and retail markets. This has caused many REITs to lose share value and unable to invest in new properties, as they have been over the last few years.

For Slate, it's an entirely different situation. The company managed to stay on top during the pandemic. That's thanks to its investments in an essential service — namely grocery chains located throughout the United States. Furthermore, many of its tenants chose the time during low interest rates to renew lease agreements. Talk about great timing.

Now, the company can boast high occupancy rates, cash flowing in, and lease agreements that will last years. So, that's some stable passive income from this TSX stock.

But it’s cheap!

Now, you’d think this company would be expensive given all this stability, but it’s not. While the TSX is down about 8% year to date, Slate stock is actually *up* about 5% year to date. You can therefore lock in a company that’s offering market-beating performance.

Yet even with shares up this year, it’s still a steal. This comes from trading at just 6.12 times earnings, and 0.89 times book value. Plus, although shares are up, they’ve come down from 52-week highs. If you take into account those levels, shares are actually down 14%.

That means you can lock in this dividend for an amazing deal, currently offering a whopping 8.25% dividend yield! That dividend comes out on a monthly basis and totals $1.18 per share annually.

Make $150 per month

If you’re looking to create passive income of $150 per month, here’s how it shakes out. That $150 monthly comes to $1,800 per year. For that, you would need to buy 1,525 shares, and that comes to a total investment of $21,752 as of writing.

Granted, it’s not a small investment. But here’s the thing: you can lock in passive income of $150 each month and $1,800 each year at *least*. That dividend should continue to rise, as should shares out of this economic downturn. So, you can sit back and look forward to growth in funds, even if it means your shares do absolutely nothing.

That’s some stability we could all use right now.

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1. TSX:SGR.UN (Slate Retail REIT)

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Date
2025/06/29
Date Created
2022/11/02
Author
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