



Want \$100/Month in Passive Income? Buy 1,500 Shares of This Stock

Description

The **S&P/TSX Composite Index** shed 316 points on Wednesday, November 9. Investors will hope that this is not a return to the kind of [volatility](#) that we have experienced in late September and early October. However, it does not hurt to plan for the worst. Today, I want to discuss how you can look to generate big monthly passive income with the **Northwest Healthcare REIT** ([TSX:NWH.UN](#)). Let's jump in.

How much passive income should you look to gather from one individual stock?

In this hypothetical, we should look to stash Northwest Healthcare REIT in our [Tax-Free Savings Account \(TFSA\)](#), presuming we still have ample contribution room. This will allow us to claim that monthly stipend without paying any tax on it whatsoever.

Theoretically, you could use all your TFSA contribution room on a single stock. However, that flies in the face of a sound investment strategy. Investors should look to diversify their portfolios, and that means being practical about how much passive income we want to generate with a single stock. In this instance, we will look to churn out \$100/month in tax-free passive income.

Here's why Northwest Healthcare REIT is one of my favourite sources of dividends

Northwest Healthcare REIT is a [real estate investment trust \(REIT\)](#) that owns and operates a portfolio of high-quality healthcare properties in Canada, the United States, and around the world. Shares of this REIT have dropped 19% in 2022 as of close on November 9. That has pushed the stock into negative territory in the year-over-year period.

This company unveiled its second-quarter fiscal 2022 earnings on August 11. It delivered revenue growth of 24% to \$111 million. Meanwhile, Northwest posted same-property net operating income

(NOI) growth of 3.6%. It was powered largely by annual rent indexation. Moreover, it reported strong portfolio occupancy of 97%. Total assets under management climbed 22% from the second quarter of fiscal 2022 to \$10.2 billion. Net asset value (NAV) per unit increased 8% year over year to \$14.19.

The REIT finished the quarter with 232 in total properties compared to 190 in the previous year. Investors can expect to see its next batch of earnings, as markets open on November 15, 2022.

Northwest remains one of my favourite REITs to own on the TSX. It grants investors access to the burgeoning and dependable healthcare space. This is a REIT you can trust for the long haul. Better yet, the stock last had a very favourable [price-to-earnings ratio of 5.8](#). Value investors can get their money's worth with this stock right now.

Breaking down our passive-income generation using Northwest Healthcare REIT

Northwest Healthcare REIT currently offers a monthly [distribution](#) of \$0.067 per share. That represents a monster 7.3% yield.

Let's go back to our original scenario. Northwest Healthcare REIT closed at \$10.96 per share on Wednesday, November 9. We are looking to generate monthly passive income of \$100. In order to meet that goal, we need to snatch up 1,500 shares of Northwest REIT for a purchase price of \$16,440. That investment will allow us to churn out monthly passive income of \$100.50 in our TFSA going forward.

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Author

aocallaghan

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