

Want \$250 in Monthly Passive Income? Buy 4,060 Shares of This TSX Stock

### Description

While there are many ways to earn monthly passive income, none of them could be as easy as <u>dividend investing</u>, at least in my opinion. In this article, I'll highlight one of the best monthly dividend stocks on the <u>Toronto Stock Exchange</u> that you can buy right now to start earning monthly passive income right away.

# One of the best TSX monthly dividend stocks

Whether you're investing in monthly dividend stock or a growth company, the ground rules of picking a company to invest in remain the same. You should carefully analyze a stock's financial growth trends and also take into consideration its <u>fundamental</u> outlook before pouring your hard-earned savings into it. In addition, you should also try to buy dividend stocks when they look <u>undervalued</u>. For example, **Choice Properties Real Estate Investment Trust** (<u>TSX:CHP.UN</u>) could be one of the best TSX monthly dividend stocks to buy right now, as it looks cheap based on its fundamental outlook.

Choice Properties is a Toronto-headquartered <u>real estate investment trust (REIT)</u> with a <u>market cap</u> of \$4.7 billion. After witnessing 19% value erosion in the second and third quarters of 2022, its stock has started showcasing good strength in the fourth quarter, as it currently trades with 14.5% quarter-to-date gains at \$14.41 per share. At this market price, it offers an impressive 5.1% annual dividend yield and distributes its dividend payouts each month.

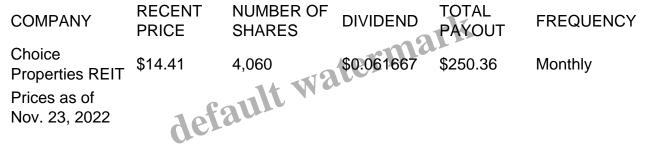
A high dividend yield, however, should never be the sole reason for you to make an investment decision. That's why I'll now talk about some key factors that make it a safe monthly dividend stock in Canada to bet on right now.

## What makes it a reliable stock to buy

In five years between 2016 and 2021, Choice's total revenue <u>rose</u> 65%, while its adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) grew positively by 67%, reflecting underlying strength in its business model.

One primary factor that distinguishes Choice Properties from most of its peers is its high-quality portfolio of well-diversified commercial and residential properties across Canada. Its portfolio includes 701 income-producing properties with more than 64 million square feet of gross leasable area. Nearly 80% of its net operating income comes from its retail portfolio, while its industrial portfolio accounts for 15%. Its retail tenants include large companies, including Loblaw, Metro, Best Buy, Costco, Dollarama, Walmart, Dollar Tree, Scotiabank, Royal Bank of Canada, McDonald's, Subway, Lowe's, and Sleep Country.

Moreover, Choice Properties currently has 21 projects under development, which will help it expand its business and accelerate its financial growth further in the coming years. Given all these positive factors, I find it an amazing investment option if you want to generate reliable passive income in Canada.



## **Bottom line**

If you want to earn nearly \$250 in monthly passive income, or about \$3,004 a year, from Choice Properties stock, you'll have to buy its 4,060 shares at the current market price. For that, you need to invest \$58,505 in its stock. While you can do so if your risk appetite allows you to, I highly recommend that you diversify your portfolio by including more such TSX stocks to it instead of investing a big sum of money in a single dividend stock.

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- 1. Dividend Stocks
- 2. Investing

#### **TICKERS GLOBAL**

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)

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