



2,500 Shares of This REIT Should Net You \$127 in Passive Income Each Month

Description

Stock market volatility has made it difficult for investors to gobble up consistent capital growth in the second half of 2022. There are continued fears of an economic pullback, as we look ahead to 2023. Canadian investors may want to consider tweaking their [strategy](#) in this environment.

Today, I want to explore how you can gobble up \$127/month in passive income. To do that, we are going to zero in on **Chartwell Retirement REIT** ([TSX:CSH.UN](#)). Let's jump in.

Why this REIT is worth holding for the long term

Chartwell Retirement is a [real estate investment trust \(REIT\)](#) that indirectly owns and operates a complete range of seniors housing communities from independent supportive living through assisted living to long-term care.

Demand for retirement and long-term-care facilities is set to grow steadily as Canada's senior population is set to explode. In 2010, Canadians aged 65 or older made up 14% of the total population. That has grown to 19% in 2022 and is projected to reach 22% in 2030. Canadian seniors will require more housing and medical care than is currently available. That is why private expansion will be a necessity.

How has Chartwell stock performed in 2022?

Shares of this REIT have dropped 32% in 2022 as of early afternoon trading on December 8. That has pushed the stock into negative territory in the year-over-year period. Please see the interactive chart below for more details on Chartwell's recent stock performance.

Here's how many shares you need to buy of Chartwell to meet your passive-income target

This REIT was trading at \$8.19 per share in late-morning trading on December 8, 2022. I am going to be using that trading price for this hypothetical. Canadian investors who have the room in their [Tax-Free Savings Account \(TFSA\)](#) should consider making the purchase in that account. This will allow you to churn out passive income completely tax free.

In this scenario, we can buy 2,500 shares of Chartwell REIT for a purchase price of \$20,475. This REIT offers a [monthly dividend](#) of \$0.051 per share. That represents a monster 7.4% yield.

Bottom line

A choppy market is not the only factor holding back Canadian investors. Soaring inflation rates have made life difficult for consumers. Investors who bolster their passive income could offer themselves significant relief in the present environment. The Canada Food Price Report was released this past Monday. It projected that the total annual grocery bill would be \$1,065 more than the previous year in 2023.

The purchase of 2,500 shares will allow us to generate monthly passive income of \$127.50 going forward. That works out to annual passive income of \$1,530. Investors who can gobble up these dividends in a TFSA will get to pocket all that cash. This could pay for a grocery bill price jump in 2023.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
CSH.UN	8.19	2,500	\$0.051	\$127.50	Monthly

CATEGORY

1. Investing

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1. TSX:CSH.UN (Chartwell Retirement Residences)

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