



## \$40,000 in These 4 Stocks = A Tidy Monthly Income

### Description

Buying and holding [Canadian stocks](#) is a great way to collect monthly passive income. Stocks are liquid investments, which means you have the utmost flexibility with your capital.

You don't need a lot of upfront capital to buy a share in a company. Lastly, you can earn substantial [dividend](#) income, without any management or work (other than completing your investment due diligence).

If you had \$40,000 to invest for passive income today, below is a simple four-stock portfolio that could earn over \$160 per month.

### A top Canadian warehouse REIT

**Dream Industrial REIT** ([TSX:DIR.UN](#)) manages 258 warehousing, logistics, and distribution properties across Canada, Europe, and the U.S. Industrial properties are very attractive assets because of high tenant demand and limited supply today.

Despite its stock falling 29% this year, Dream has delivered strong 10% cash flow per unit growth in 2022. The REIT just announced a joint venture deal to acquire **Summit Industrial REIT**. That could provide strong growth into 2023 and beyond.

This income stock pays a 5.8% dividend that is well covered by cash flows. Put \$10,000 into this stock and you would earn around \$48.58 in monthly dividend income.

### A very cheap housing stock earning big income

**European Residential REIT** ([TSX:ERE.UN](#)) stock is down 29% in 2022. It owns close to 7,000 multi-family rental units in the Netherlands. The Netherlands is attractive for its strong rule of law, rising immigration, and low housing supply. It is a perfect jurisdiction for a residential REIT.

The stock is down because many money managers have exited European assets over fears of the Ukraine war and a weakening economy. Yet, the REIT has seen strong cash flow per unit growth of 18% this year. Occupancy is over 97% and the REIT has a good sightline to continue increasing rental rates.

This stock is insanely cheap and trades at a huge 40% discount to its private asset value. You can buy this stock for its 5.1% dividend. A \$10,000 investment would earn \$41.90 monthly.

## Monthly income from a top Canadian restaurant chain

If you love a good burger, you might want to consider buying **A&W Royalties Income Fund** ([TSX:AW.UN](#)). It collects 3% of sales from the A&W burger chain of restaurants. While this is not a growth story, A&W is a very popular Canadian fast-food chain that consistently [adds new locations](#) around the country.

This is a variable dividend, so beware that it can change. However, given the consistency and resiliency of the A&W franchise, its earnings are fairly consistent. This stock yields 5.24%. A \$10,000 investment would earn \$43.20 in monthly income.

## An undervalued renewable stock

If you want a combination of growth, income, and value, **Northland Power** ([TSX:NPI](#)) should be on your radar. It operates [renewable power](#) plants across Canada, the U.S., Central America, and Europe.

The power producer has expertise in offshore wind power projects. This is one of the fastest-growing renewable power segments. With the many renewable development opportunities ahead, Northland plans to double its EBITDA by 2030.

This stock is down 5.7% in the past month. You can buy it at a pre-pandemic valuation, or 11 times enterprise value-to-EBITDA (EV/EBITDA). NPI pays a 3.2% dividend. \$10,000 in Northland stock would earn \$26.50 in monthly income.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Dream Industrial REIT	12.00	833	\$0.05833	\$48.58	Monthly
European Residential REIT	\$3.18	3,144	\$0.0133	\$41.90	Monthly
A&W Royalty Income Fund	\$36.95	270	\$0.16	\$43.20	Monthly
Northland Power	\$37.71	265	\$0.10	\$26.50	Monthly

Prices as of December 8, 2022

### CATEGORY

1. Dividend Stocks

2. Investing

## **TICKERS GLOBAL**

1. TSX:AW.UN (A&W Revenue Royalties Income Fund)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:ERE.UN (European Residential Real Estate Investment Trust)
4. TSX:NPI (Northland Power Inc.)

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