



TFSA Investors – How to Earn \$320 in Monthly Passive Income Right Now

Description

The [Tax-Free Savings Account](#) (TFSA) is set to increase its contribution limit by \$6,500 in 2023. That means Canadian investors who were 18 years (or older) in 2009 can contribute a grand total of \$88,000 into their TFSA next year.

Any opportunity to maximize tax efficiency should be utilized by Canadian investors. Over a lifetime, you can save thousands of tax dollars by simply investing through your TFSA.

Turn \$70,000 into \$320 of tax-free monthly income

If you are more inclined to invest for passive income, the TFSA is a great place to hold your stock investments. While we recommend a [widely diversified portfolio](#) (at least 8 to 10 stocks), here is a simple three-stock portfolio that demonstrates the level of dividends you can collect from Canadian stocks today. If you put \$70,000 to work, it could earn an average of \$320 per month of tax-free passive income.

A real estate stock for your TFSA

At a price of \$11.65 today, **Dream Industrial Real Estate Investment Trust** ([TSX:DIR.UN](#)) pays an attractive 5.87% dividend yield. If you put \$23,333 into this real estate stock, you would earn \$116.72 of monthly distributions.

With interest rates rising, real estate stocks have been on the decline. Dream Industrial stock is down 32.6% in 2022.

Unfortunately, this masks Dream's high-quality portfolio of warehousing and distribution properties. The company has delivered 99% occupancy, a strong rental rate growth, and +10% funds from operations per unit growth this year.

Dream has a very good balance sheet and capital flexibility even though interest rates are rising.

Likewise, its dividend is well-covered by the cash flows it collects. Today, it trades at a severe discount to its private market value so it is an attractive stock if you can look out several years ahead.

A top TFSA renewable power stock

[Renewable energy stocks](#) have recently pulled back significantly. That presents a good opportunity to upgrade your portfolio in the segment. One of the best quality renewable stocks you can buy is **Brookfield Renewable Partners** ([TSX:BEP.UN](#)).

It has fallen 20.5% in 2022. Investors can buy the stock for \$36 per share and get a nice 5.65% dividend yield. A \$23,333 investment would earn \$278.21 per quarter or \$92.74 averaged monthly.

Brookfield Renewables is a world leader in renewable energy. It has an anchor portfolio of coveted hydro power assets that are complimented by a growing pipeline of wind, [solar](#), distributed generation, battery, and even nuclear power projects. Its large development pipeline should fuel decades of relatively low-risk, high single-digit growth ahead.

An energy stock with a fast-growing dividend

If you want an off-handed way to play [oil stocks](#) in your TFSA, **Topaz Energy** ([TSX:TPZ](#)) could be a good income stock. At \$20.89, this stock could earn a 5.8% dividend yield in your TFSA. A \$23,333 investment could earn \$335.70 every quarter or \$111.91 averaged monthly.

Topaz owns very well-located royalty and energy infrastructure assets in Western Canada. It was spun out of **Tourmaline Oil** in late 2019. Since its inception, its dividend has risen by 50%! In fact, it has increased its dividend five times since June 2021.

The company has made several acquisitions in areas of fast-growing energy production. Given low supply and growing energy demand, Topaz should continue to grow its dividend by a substantive rate in the years ahead.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Dream Industrial REIT	11.65	2002	\$0.05833	\$116.72	Monthly
Brookfield Renewable Partners	36.06	647	\$0.43	\$278.21	Quarterly
Topaz Energy	20.85	1,119	\$0.30	\$335.70	Quarterly

Stock prices are from December 19, 2022

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:TPZ (Topaz Energy Corp.)

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