Want $500 in Passive Income Each Month? Buy 3,244 Shares of This TSX Stock

Description

If you wish to earn monthly passive income in Canada, dividend investing can be of great help. By investing your hard-earned savings in some quality dividend stocks, you can expect to earn reliable monthly passive income, even in difficult market conditions. In this article, I'll highlight one of the best TSX dividend stocks you can buy right now to make $500 in passive income each month.

Top dividend stock for monthly passive income in Canada

Whether you're investing to retire early or earn extra cash each month, you should always ensure that you invest in companies with strong fundamentals and a resilient business model. This rule will help you filter out businesses with weak growth outlooks that could potentially increase your risk profile.

With that in mind, **SmartCentres Real Estate Investment Trust** (TSX:SRU.UN) could be worth investing in right now. After rallying by 40% in 2021, the shares of this Vaughan-headquartered real estate investment trust (REIT) have seen a 16.7% downward correction in 2022 so far to trade at $26.82 per share and currently has a market cap of $3.9 billion. At this market price, SmartCentres offers a solid annual dividend yield of 6.9% and distributes its dividend payouts every month.

What makes this TSX dividend stock worth considering now?

SmartCentres REIT currently owns 185 properties across Canada with 98.1% committed occupancy. In order to accelerate its financial growth in the coming years, the REIT is focusing on its intensification program, which is expected to add millions of square feet of space to its already strong portfolio. Moreover, its strong dividend-growth track record makes its stock even more attractive right now. Notably, SmartCentres REIT has raised its dividend by 20% in five years between 2016 and 2021.

In the last year, the stock market has seen a massive selloff due mainly to worries about high inflation and rapidly rising interest rates, which have raised their potential of a moderate recession in the near term. Given these uncertain market conditions, investors should focus on the stocks whose profitability won't be severely affected by these macroeconomic factors.

For example, SmartCentres REIT earns more than 60% of its rental income from large companies with strong creditworthiness involved in providing essential services. To name a few, **Walmart**, **Loblaw**, **Canadian Tire**, **Lowe's**, **Dollarama**, **McDonald's**, **Scotiabank**, **Dollar Tree**, **Metro**, and **Home Depot** are among its list of tenants. That's why short-term economic pressures might not have a major impact on its long-term growth outlook.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
SmartCentres REIT	$26.82	3,244	$0.15417	$500	Monthly
Prices as of Dec 23, 2022					

Bottom line

If you buy about 3,244 shares of SmartCentres REIT now, you can expect to earn $500 a month in passive income from its dividends. However, to buy these many shares at the current market price, you'll have to invest about $87,004 in this TSX dividend stock right now. With this example, you can now understand how easily you can start earning monthly passive income in Canada with dividend investing. Nonetheless, you should always diversify your portfolio to minimize risk instead of pouring a big sum of money into a single stock.

CATEGORY

1. Dividend Stocks
2. Investing

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