



## How to Reliably Earn \$200 of Passive Income Every Month

### Description

[Real estate investment trusts](#) (REITs), royalties, and renewables are a great place to look for monthly passive income. These stocks tend to earn contracted cash flows monthly. As a result, they can afford to consistently pay distributions/dividends to shareholders every month.

Here is a hypothetical mini portfolio that demonstrates how one could potentially turn a \$50,000 investment into nearly \$200 of [passive income](#) per month.

At the Motley Fool, we recommend you own a diversified portfolio of at least 8 to 10 stocks. Even more can help spread out your risk. However, let these picks demonstrate the level of income you can earn by acquiring dividend stocks in the market at present.

### A REIT for passive income

**Dream Industrial REIT** ([TSX:DIR.UN](#)) has been drastically marked down over the past year. Its stock is down 26.5% since early 2022. Today, investors in Dream can collect an outsized 5.8% distribution yield from the stock. Dream shares are trading very cheaply at a near 30% discount to its net asset value (appraised value).

Dream has a portfolio of warehousing and distribution properties across Canada and Europe. At the current price, its European properties are being priced almost for free. The war in Ukraine spiked fears about geopolitical and economic risk in that market.

Yet, for the most part, Dream's portfolio has delivered very strong results in 2022. It is expected to grow funds from operation (FFO) per unit (a key profitability metric for real estate) by over 8% in 2022.

If you deployed a third of your \$50,000 (\$16,666) into Dream Industrial stock, you would earn over \$80 a month in passive income. Given how undervalued the stock is, there could be some attractive upside ahead as well.

## A top royalty stock for monthly dividends

A royalty stock like **A&W Revenue Royalty Income Fund** ([TSX:AW.UN](#)) is an attractive option for monthly passive income. It collects 3% of the revenues from over 1,000 A&W restaurants across Canada. A&W has a very strong franchise in Canada. It is well-known for its fresh and innovative fast-food breakfast, lunch, and dinner options.

With the pandemic abating, its stores are open, and operations are recovering nicely. The fast food operator continues to grow by about the rate of inflation every year. As the number of franchises grows, so too will its income for distribution.

Overall, this is an economically resilient name to own. It trades with a 5.4% dividend yield. Put a third of your capital to work in A&W Royalty and you would earn \$73.76 of monthly passive income.

## A renewable stock for growth and monthly passive income

**Northland Power** ([TSX:NPI](#)) offers an attractive mix of income and growth. Compared to other peers, its stock has performed relatively well in 2022. It is up 5% in that time. However, it has recently pulled back from highs set during the summer.

Northland has a diverse [renewable power](#) portfolio that spans across North America, Central America, and Europe. It is very well positioned as a niche leader in offshore wind power. Several large projects in Europe and Asia are in development. In fact, it recently [sold down a stake](#) in a Taiwan development that significantly de-risked its financial profile.

Despite its success, NPI trades at a discount to other renewable peers. As it executes its development strategy, its stock should re-rate, especially as earnings start to grow. Today, this passive income stock yields 3.18%. A \$16,666 investment would earn \$43.90 of monthly passive income.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Dream Industrial REIT	12.10	1,377	\$0.05833	\$80.32	Monthly
A&W Revenue Royalty Income Fund	36.15	461	\$0.16	\$73.76	Monthly
Northland Power	37.91	439	\$0.10	\$43.9	Monthly

Price as of January 9, 2023

### 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:NPI (Northland Power Inc.)

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## **Date**

2025/08/12

## **Date Created**

2023/01/10

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