



Want \$724 in Monthly Passive Income? Buy 12,407 Shares of This TSX Stock in 2023

Description

The **Toronto Composite Index** fell 8.7% in 2022, because macroeconomic concerns encouraged investors to flee risks, which led to a big crash in [growth stocks](#). Difficult economic times like these serve as a reminder for long-term investors to always hold some quality TSX [dividend stocks](#) in their portfolios.

Dividend stocks with well-established business models are usually significantly less volatile compared to growth stocks. In addition, their reliable dividends can become a great source of monthly passive income for you, even in tough economic environments. To give an example, let me highlight a top TSX dividend stock you can buy in 2023. Toward the end of this article, I'll give you the math of how it can help you earn a passive income of \$724 each month in Canada.

Top dividend stock for monthly passive income in 2023

When investing long-term in a dividend stock to protect your stock portfolio from expected [market volatility](#), you should ideally pay special attention to the company's underlying [fundamentals](#) and business model. This is because, while many companies can pay dividends in good economic times, only fundamentally strong businesses can sustain those dividends, even in difficult economic environments.

With that in mind, **Dream Industrial Real Estate Investment Trust** ([TSX:DIR.UN](#)) could be a reliable TSX stock to consider in 2023 to generate monthly passive income in Canada. This Toronto-headquartered real estate investment trust (REIT) has a great portfolio of high-quality industrial properties in prime locations across the United States and Europe apart from its home country.

At the time of writing, Dream Industrial REIT has a [market cap](#) of \$3.1 billion, as its stock trades at \$12.09 per share with 3.4% year-to-date gains. At the current market price, this TSX monthly dividend stock offers an attractive 5.8% annual dividend yield and distributes its dividend payouts every month.

Key factors to know before buying this monthly dividend stock

As I noted above, Dream Industrial's great portfolio of high-quality properties makes it one of Canada's most reliable monthly dividend stocks to hold for the long term. At the end of the September 2022 quarter, its portfolio [included](#) 258 industrial assets, with a gross leasable area of nearly 46.5 million square feet, which had a solid occupancy rate of 99%.

In the first three quarters of 2022, Dream Industrial's combined revenue rose 28.6% from a year ago to \$270.7 million. While the company is yet to report its fourth-quarter results, Street analysts expect it to report a more than 7% year-over-year increase in its full-year 2022 earnings, in spite of facing a tough economic environment.

Despite its strong financial growth trends and stable growth outlook, this TSX stock plunged by 32% last year after posting gains for six consecutive years, making it look [undervalued](#). Given that, I expect Dream Industrial REIT to stage a recovery in the coming quarters that can help you get capital gains from the appreciation of its share prices besides income from its monthly dividends.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Dream Industrial REIT	\$12.09	12,407	\$0.05833	\$724	Monthly
Prices as of Jan. 9, 2023					

Bottom line

If you buy about 12,407 shares of Dream Industrial REIT now, you can expect to earn about \$724 in monthly passive income from its dividends. To buy these many shares at the current market price, however, you'll have to invest about \$150,000 in this TSX dividend stock in 2023. That said, it's always wise, in my opinion, to diversify your portfolio by including more such stocks to it instead of pouring such a big sum of money into a single one, no matter how safe it looks at the time of investing.

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Author

jparashar

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