



TFSA Investors: How to Earn \$533/Month in Passive Income

Description

Do you want to create a reliable source of monthly passive income to enjoy financial freedom after retirement? If yes, you must consider investing a large part of your [TFSA](#) (Tax-Free Savings Account) in some quality [dividend stocks](#). On the one hand, dividend stocks might not multiply your money in a short period of time, as many [high-growth stocks](#) can. On the other hand, dividend stocks are considered less risky than growth stocks due mainly to their [low volatility](#) and can keep rewarding you with stable returns on your investment for decades.

Let's take a closer look at a top Canadian monthly dividend stock that can help you earn \$533 in monthly passive income.

A top monthly dividend stock for your TFSA

When you're investing in dividend stocks, you should always pay attention to their future growth potential besides the long-term financial growth track record. Following this principle will help you pick stocks with a strong financial base that can keep rewarding their investors, even during difficult economic times.

Considering that, **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) could be an attractive monthly dividend stock for TFSA investors. This Toronto-based, open-ended real estate investment trust (REIT) has a large portfolio of healthcare-focused, high-quality real estate properties. Besides Canada and the United States, its properties are primarily located in Brazil, Europe, Australia, and New Zealand.

NorthWest Healthcare currently has a [market cap](#) of \$2.4 billion, as its stock currently trades at \$9.82 per share with about 3.4% year-to-date gains. At this market price, it offers an attractive annual dividend yield of 8.1% and distributes its dividend payouts on a monthly basis.

Strong financial growth trends

While NorthWest hasn't announced its December quarter results yet, its total revenue in the first three quarters of 2022 rose 10.4% year over year to \$285.4 million. In the September quarter, the stable net asset value of its assets [increased](#) by 2.7% from a year ago to \$13.97 per unit. At the end of the quarter, the occupancy rate of its properties stood strong at 97%, with a weighted average lease expiry of about 14 years.

In five years between 2016 and 2021, NorthWest Healthcare's total revenue went up by 35%, which increased its adjusted earnings by 231%. You can expect its financial growth trends to improve further in the long run, as the REIT remains focused on expanding its asset base amid growing demand for healthcare real estate infrastructure across the globe. That is why, besides its dividends, you can also see a sharp appreciation in NorthWest's share prices in the long term.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
NorthWest Healthcare Properties REIT	\$9.82	8,000	\$0.06667	\$533.36	Monthly
Prices as of Feb. 17, 2023					

Bottom line

If you buy 8,000 shares of NorthWest Healthcare Properties REIT, you can expect to earn \$533.36 in monthly passive income from its dividends, which is equivalent to around \$6,400 a year. To buy these many shares at the current market price, however, you'll have to invest \$78,560 in its stock right now. While this example should give you a good idea of how TFSA investors can create a reliable source of passive income with dividend investing, you must always diversify your portfolio by including more such [fundamentally](#) strong monthly dividend stocks in it instead of relying on a single stock.

CATEGORY

1. Dividend Stocks
2. Investing

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