



## 2 Quality Dividend-Growth Stocks for Last-Minute RRSP Contributions

### Description

If you haven't contributed to a registered retirement savings plan (RRSP) for the 2016 tax-filing year yet, you still have time. The deadline is March 1.

It's especially important to contribute to RRSPs if you're in a high tax bracket, as you can benefit from a big income tax reduction. If you have decades until retirement, that's even better because you can invest for compounded growth in a tax-deferred environment in RRSPs.

Simply check your most recent Notice of Assessment to see how much you can contribute.

Here are two quality stocks to invest for dividends and long-term growth in your RRSPs.

retire not found or type unknown

**Brookfield Property Partners LP** ([TSX:BPY.UN](https://www.brookfieldproperty.com/TSX:BPY.UN))(NYSE:BPY) owns and operates a unique global portfolio of iconic properties located in the world's most dynamic markets.

Its portfolio spans multiple asset classes, including office, retail, multifamily, industrial, hospitality, self-storage, and student housing in North America, South America, Europe, and Asia Pacific.

With Brookfield Property's focus on acquiring quality properties using a value-investment approach, you can expect to outperform the sector over the long term, especially if you buy the units at an attractive valuation.

You're in luck. Brookfield Property is undervalued compared to its IFRS value. Specifically, it currently trades at a discount of about 23%.

Brookfield Property yields about 5% today thanks to a strong U.S. dollar against the Canadian dollar, as the units offer a U.S. dollar-denominated distribution.

A portion of Brookfield Property's distribution can be interest income from the U.S. or otherwise, and it's taxed at the marginal tax rate in taxable accounts. However, unitholders holding Brookfield Property

units in RRSPs will receive the full distribution.

Management also aims to increase its distribution by 5-8% per year. There's no reason to doubt management, as the payout ratio is sustainable and the company continues with its capital-recycling program by replacing mature assets with higher-yielding opportunities.

**Algonquin Power & Utilities Corp.** ([TSX:AQN](#))([NYSE:AQN](#)) is another company that offers a nice dividend with decent growth prospects.

Algonquin is a North American utility which has \$10 billion of total assets, including rate-regulated distribution utilities and power-generation facilities.

The utility distributes natural gas, electricity, or water to 782,000 U.S. customers in 13 states. These are rate-regulated services which have a return on equity of 9-10% and generate stable and predictable earnings.

Further, it has 36 renewable- and clean-energy facilities which have a net installed capacity of 1,200 MW, of which 85% is under long-term power-purchase contracts with inflation escalations. Its average power-purchase agreement length is 15 years.

Currently, Algonquin yields nearly 5%, thanks to a strong U.S. dollar against the Canadian dollar, as the utility offers a U.S. dollar-denominated dividend.

On top of its recent acquisition of Empire totaling \$3.2 billion, Algonquin has \$5.4 billion of potential investments (about 44% for its power-generation portfolio and 55% for its regulated utilities) over the next five years.

Its investments and organic growth from its current assets will allow for earnings and cash flow growth, which support dividend growth of 10% per year through 2021.

### **Investor takeaway**

Contributing to RRSPs is a great way to reduce your income taxes, especially if you're in a high tax bracket. Investing in quality stocks, such as Brookfield Property and Algonquin, which offer big, safe dividends and growth potential, can help you accumulate some serious cash for your retirement years down the road.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:BPY.UN (Brookfield Property Partners)

### **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Yahoo CA

**Category**

1. Dividend Stocks
2. Investing

**Date**

2025/08/14

**Date Created**

2017/02/27

**Author**

kayng

default watermark

default watermark