Why Brookfield Property Partners (TSX:BPY.UN) Is Safer Than Gold

Description

The truth is that while gold is an excellent investment, gold stocks don't offer the best dividend returns. If you want to make a better investment right now, invest in **Brookfield Property Partners** (TSX:BPY.UN)(NASDAQ:BPY). Brookfield Property Partners currently issues a dividend of $0.33 per share to investors. At the current share price of about $25, that's a 5.3% guaranteed yield.

The stock's ex-dividend date is coming up on August 29, which means TFSA investors still have time to cash in on this quarter's dividend payable on September 30.

The biggest mistake Canadians are making in their TFSAs to date is not investing in enough high-dividend stocks. While this bear market may not seem like the best time to invest, it is the perfect time to start buying into high-dividend-issuing stocks.

If you see Brookfield as too risky, invest in GICs. They offer higher interest than gold stocks — and less risk. The point is, if you are concerned about your savings, there are better options than gold.

Brookfield Property Partners

Brookfield Property Partners is one of the most well-respected commercial real estate companies in the world. It owns, operates, and invests in office, multi-family, and hospitality properties globally.

With the financial crisis and the real estate market crash of 2007 still fresh on everyone's minds, it may seem risky to jump into real estate investments — especially with the current financial market turbulence. Nevertheless, that is precisely the reason why TFSA investors should buy in now while the returns are so high.

TFSA and RRSP investors more than 10 years away from retirement with a decent amount of short-term savings should not worry about making long-term investments in real estate, even in this turbulent economic environment.

What about gold?

Investors turn to gold because gold prices tend not to correlate with the stock market. But because investors perceive it as such a safe investment, gold funds tend not to pay much in the way of dividends.

For investors interested in defensive gold stocks, **Franco-Nevada** is their best bet on the Toronto Stock Exchange. It offers a dividend yield of approximately 1.03% at its current price of just below $129. There are savings accounts that provide more interest than that dividend yield.

Moreover, government-insured certificates (GICs) are much safer than gold stocks — and they offer up to 3% interest with no liquidity risk at the end of the term. Meanwhile, TFSA and RRSP investors could quickly lose all of their initial investment in gold and precious metal stocks. No matter what's said about gold being a defensive investment, gold stocks are a low-return investment.

If you distrust the financial market, buy bars of gold, store them, and sell the product in five years on your own. In that way, you will profit off the entire rise in gold prices — and you don't have to rely on a corporation to determine the profit from your investment.

If you are not interested in storing bars of gold, then Brookfield Property Partners with a dividend yield of 5.3% is the safer and more profitable option.

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1. TSX:BPY.UN (Brookfield Property Partners)

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