RRSP Investors: Retire Rich With These Dividend Stocks

Description

The Registered Retirement Savings Plan (RRSP) is a great tool for saving and investing for your retirement. Because any amount withdrawn from RRSPs will be counted as taxable income, people refrain from taking money out.

Here are some of the best dividend stocks you can consider for your RRSP today.

Brookfield Property

Brookfield Property Partners (TSX:BPY.UN)(NASDAQ:BPY) owns and operates a globally diversified portfolio of real estate assets with a focus on office and retail properties. Recent occupancies in the core office and retail portfolios were 93% and 95%, respectively.

The company also has approximately 15% of its balance sheet in opportunistic investments including multifamily, logistics, hospitality, triple net lease, self-storage, student housing, and manufactured housing assets.

This portfolio aims for mispriced assets and outsized total returns of about 20%! As the portfolio has increased in size, the realized gains from it have exponentially grown! The good news is that growth is expected to continue. Meanwhile, BPY also earns stable funds from operations (FFO) from its entire portfolio.

Since 2013, Brookfield Property has roughly tripled the size of its overall portfolio to approximately US$90 billion of total assets thanks to several transformative acquisitions, including last year's US$40 billion acquisition of GGP, a retail REIT that owned a top-notch U.S. portfolio. Prior to the acquisition, BPY already owned a 34% interest in GGP and understood it well. Now, BPY has more control, such as in redevelopments and densification opportunities.

What's important for RRSP investors is that Brookfield Property offers a safe, high yield while growing its cash distribution. Since inception, BPY has increased its FFO by 9% per year and its cash distribution by 6% per year. Thereby, it was able to improve its payout ratio to 80%.

Currently, Brookfield Property is good for a whopping yield of 6.8%, and it's growing the cash distribution by 5-8% annually. It pays a U.S. dollar-denominated cash distribution.

BPY's cash distribution can consist of interests, dividends, other income, and return of capital, which makes it a breeze to hold in an RRSP but a potential nightmare to hold in a taxable account when tax time comes around.

Other great dividend stocks to hold in your RRSP

U.S. stocks are a wonderful way to diversify your dividend portfolio. Many U.S. stocks are international corporations that offer excellent dividend income and long-term dividend growth and price appreciation.

Essentially, you'll be exempt from the 15% foreign withholding tax on qualified dividends if you hold the U.S. stocks in an RRSP. So, you should focus on quality high-yield U.S. dividend stocks in your RRSP.

For instance, **Johnson & Johnson** and **Simon Property Group** are undervalued stocks that offer yields of 3% and 5.6%, respectively. Investors should research further to determine if the stocks make a good fit for their dividend portfolios.

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