



How to Make \$500 in Dividends Every Month With Way Less Than \$100K!

Description

If you can make \$500 in dividends every month, it pays a substantial percentage of your rental or mortgage payments. Additionally, it's easier than you may think.

With \$100,000, you can generate \$500 of passive income every month with a yield of 6%. It follows that to make \$500 with less than \$100,000, you need a yield of more than 6%.

What's more fitting than to [earn passive rental income](#) to pay for your housing with **Brookfield Property Partners** ([TSX:BPY.UN](#))(NASDAQ:BPY), which offers a juicy but secure yield of close to 7%?

The successful Brookfield Property business model

Brookfield Property is **Brookfield Asset Management's** investment arm across all strategies associated with real estate. BPY owns a globally diversified portfolio of [high-quality real estate assets](#) across Canada, the United States, Brazil, Europe and the Middle East, and Asia Pacific.

The company maintains a well-crafted diversification of about 85% in its core office and retail portfolio and 15% in higher-return opportunistic investments, including multifamily, logistics, hospitality, triple-net lease, self-storage, student housing, manufactured housing, and mixed-use assets.

Brookfield Property generates stable cash flows from its income-generating portfolio while aiming to sell mature assets from its opportunistic portfolio for extraordinary returns.

In the last year, it realized US\$2 billion of net proceeds from asset sales, developed more than five million square feet of assets to realize greater margins, and invested more than US\$1 billion in new developments and US\$300 million in acquisitions.



Why BPY's 7% yield is secure

Brookfield Property's funds from operations were just enough to cover its cash distribution in the first half of the year. However, when we throw in the realized gains from its opportunistic investments, the payout ratio substantially reduces to 67%, which offers a much greater margin of safety than many REITs.

Management aims to increase the cash distribution by 5-8% per year. However, investors can argue that BPY's business model can see cracks in a recession when real estate prices fall meaningfully, especially since real estate is relatively illiquid. So, there's a possibility that the company could freeze its cash distribution during a recession.

You only need to invest less than \$87,000 in BPY shares to generate \$500 per month in dividends

Currently, BPY pays a quarterly cash distribution of US\$0.33 per share, totaling an annual payout of US\$1.32 per share. This equates to CAD\$1.73 per share based on the recent forex of US\$1 to CAD\$1.31399. To generate \$6,000 of dividend income, you need 3,469 shares, or *an investment of just \$86,343!*

It follows that to generate \$1,000 per month in passive income, you just need to invest \$172,686 in BPY.

BPY's cheap valuation sweetens the deal

To make things even better for investors, BPY stock is trading at a meaningful discount today. Its average 12-month analyst price target is US\$22.80, which represents near-term upside potential of 20%.

It's time for Foolish investors to be hungry on BPY shares!

CATEGORY

1. Dividend Stocks

2. Investing
3. Stocks for Beginners

POST TAG

1. bpy
2. Editor's Choice

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

Tags

1. bpy
2. Editor's Choice

Date

2025/08/18

Date Created

2019/11/04

Author

kayng

default watermark

default watermark