



Canada Revenue Agency: Can You Retire Early in 2020?

Description

Folks from all walks of life can retire early, possibly in 2020. You can retire as long as you generate enough income for your needs.

Remember that you potentially have at your disposal multiple income sources, including your CPP pension, company pension, OAS payments, rental properties, and investment portfolios. You may even be making some money from enjoyable hobbies.

If you're very close to retirement but missing that small amount of income to reach your retirement goal, consider converting some of your growth or low-yield stock holdings to [high-yield stocks](#).

One group of high-yield dividend stocks that you should not miss is REITs, which tend to generate stable cash flows with organic growth from a portfolio of real estate assets to support rich yields.

Among the REITs, **Brookfield Property Partners** ([TSX:BPY.UN](#))(NASDAQ:BPY) provides one of the best long-term opportunities for income and total returns.

A humongous dividend yield

As of this writing, it yields a whopping 7.25%. The yield is boosted by its U.S. dollar-denominated cash distribution and depressed share price.

Its quarterly cash distribution is US\$0.33 per unit, and based on its schedule of dividend increases, should be increasing its cash distribution in early February!

The management is keen to support cash distribution growth of 5-8% per year. Assuming a 5% increase, the forward yield of the stock is close to 7.6%!

The long-term average Canadian market returns are about 7% per year. Investors can get market returns solely from BPY's dividend without caring what its stock price does.

A diversified portfolio

Brookfield Property has an irreplaceable portfolio of core assets located in supply-constrained markets. These core office and retail assets compose about 85% of its balance sheet and generate most of its stable cash flows with target total returns of 10-12%.

Additionally, the REIT has roughly 15% of its balance sheet in opportunistic investments — properties that are mispriced or provide significant value-add opportunities. The BPY team has the experience and expertise to improve these significantly discounted assets for superb value creation. For this portfolio, it targets total returns of 20%.

Its geographical reach across Canada, the United States, Brazil, Europe, the Middle East, and the Asia Pacific region provide the value-investing REIT with the best risk-adjusted returns when it makes investment choices. Overall, BPY aims for long-term returns on equity of 12-15%, which is highly attractive.

Investor takeaway

If you're very close to [retirement](#) now, you may be able to make small changes to your investment portfolio to retire in 2020. For example, you can convert some of your low yield holdings to high-yield dividend stocks.

Brookfield Property offers a safe yield of 7.25% currently. Converting some of your holdings to this stock can boost your overall income considerably!

CATEGORY

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

TICKERS GLOBAL

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

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