



## TFSA Investor: Pad Your Wallet With Just \$10,000 Invested in This 5.35% Dividend Stock

### Description

Tax-Free Savings Accounts (TFSAs) are an ideal account for accumulating passive income and compounding interest. You don't need to pay any taxes on your investments or any earnings from your account. Maximizing the contribution room in your TFSA can allow you to make a substantial amount of money.

The tax-free nature of the account allows you to achieve several financial goals. One increasingly popular method to benefit from the TFSA is to use it to [boost your monthly income](#).

Maximizing the contribution room by investing in a reliable and high-yield dividend-paying stock can help you earn a substantial amount every month through dividend payments alone.

With the beginning of the new decade, the maximum contribution room in your TFSA stands at \$69,500. Utilizing only \$10,000 contribution room by investing in **Brookfield Property Partners Limited** ([TSX:BPY.UN](#))(NASDAQ:BPY) can help you earn more than \$500 per year with its juicy 5.35% dividend yield.

Let's take a better look at the stock and why it could be one of the ideal investment decisions you can make.

### Healthy dividends

Brookfield's massive dividend yield is boosted by its U.S. dollar-denominated cash distribution and depressed share price. The quarterly cash distribution for BPY is US\$0.33 per unit. Brookfield also raises its dividends regularly every year, and investors can expect another increase early in February 2020.

Brookfield runs a tight ship, operating with maximum efficiency. The management is inclined to support dividend distribution growth of 5-8% every year. Investors can rely on BPY's dividends alone for good

returns on investments regardless of capital gains.

## A healthy company

Brookfield's critical assets are in markets that require them. The core assets compose retail and office properties that make up around 85% of its entire portfolio.

Brookfield relies on its heavy hitters for most of its income, and these assets allow the company to secure a stable source of revenue generation.

The real estate investment trust (REIT) also has 15% of its balance sheet, relying on properties that provide value-added opportunities – more opportunistic investments that can further boost its overall income. BPY's team also has a reputation for improving on mispriced properties to create wonderful value creation.

Brookfield's assets exist worldwide. Its properties in Canada, the United States, Middle East, Asia Pacific, Europe, and Brazil provide massive value and risk mitigation for the company. Overall, the company aims for long-term returns on equity (ROE) of 12% to 15%. Currently, its ROE stands at a respectable 5.22%.

While its long-term goals may appear to be a tall order, Brookfield has the [massive growth potential](#) to hit those figures.

## Foolish takeaway

As an investor interested in earning a substantial passive income every month just by letting your investment sit in your TFSA, few stocks offer you the reliability that Brookfield can offer in the long term.

Given the stock's \$500 annual dividends with only \$10,000 invested in TFSA, consider looking closely at this stock.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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

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