



RRSP Investors: 1 Monster Dividend Stock Yielding 6.9%

Description

The final deadline for RRSP contributions for 2019 is fast approaching. Investors should keep the March 2, 2020 deadline in mind and consider how to use their existing contribution room.

In the spring of 2019, I'd discussed why it's so important for investors to [maximize their RRSP](#).

This decade will see the further decline of defined-benefit (DB) pension plans, especially for those in the private sector. Investors, especially younger demographics, will need to be creative in this changing environment. The RRSP makes it easier for many of us to reach this goal.

Investors may want to save more high-risk investment for the tax-free savings account. Because this is a retirement account, we should seek out stability in the stock we hold in an RRSP.

Income-yielding equities are always nice to have in a retirement account. Historically low interest rates have made investment vehicles like GICs very unappealing, as most of these products fail to keep up with inflation. Instead, investors should look to [target dividend stocks](#).

Brookfield Property Partners ([TSX:BPY.UN](#))(NASDAQ:BPY) is a global commercial real estate company that owns, operates, and develops a massive portfolio of real estate that branches across many sectors.

Its shares have climbed 13.8% year over year as of close on January 15; the stock has already jumped 4.5% in 2020 so far.

The company recently announced that it will release its fourth-quarter and full-year results for the 2019 fiscal year on February 5. In the third quarter of 2019, Brookfield Property reported net income of \$870 million compared to \$722 million in the prior year.

The company posted same-property NOI growth of 2.5% and fee income of \$41 million, which was \$20 million higher than Q3 2018.

Management has reiterated that it's pursuing its aggressive divestment strategy while reinvesting in

more lucrative assets going forward. In the third quarter, Brookfield Property completed \$1.4 billion of gross dispositions.

These sales generated \$723 million in net proceeds. As for new investments, the company acquired a further 45% interest in the retail component at the Crown Building in New York for \$703 million.

Brookfield Property stock possessed a price-to-earnings ratio of 12.8 and a price-to-book value of 0.6 as of close on January 15, putting it in average territory in comparison to its industry peers.

Shares last had an RSI of 62, putting the stock just outside of technically overbought territory. The buy-the-dip opportunity has passed since late December and early January, but that does not mean Brookfield Property is not worth holding.

RRSP investors will naturally be gunning for its dividend. The company last declared a quarterly distribution of \$0.33 per unit, which represents a strong 6.9% yield.

There is a wave of optimism in North American real estate markets after a shaky few years to close out the 2010s. Business confidence is high and interest rates remain at historic lows.

For these reasons and more, I like Brookfield Property as a source of income in our hypothetical retirement portfolio to start this decade.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

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Author

aocallaghan

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