



## RRSP Investor: Earn \$250/Month by Investing in This 1 High-Yield Dividend Stock

### Description

When it comes to savings, one of the most popular options is to open up a Registered Retirement Savings Plan (RRSP). Given that contributions and growth inside an RRSP account are not taxed, it can serve as a great investment vehicle for quickly increasing your retirement income.

While an RRSP does not offer the same flexibility as a TFSA, account holders can benefit from a higher contribution room and a tax deduction in the year they make a contribution.

If you are looking for a [dependable high dividend stock](#) for your RRSP to maximize your passive income stream, consider investing in **American Hotel Income Properties REIT** ([TSX:HOT.UN](#)) and lock in a sustainable double-digit high yield.

### A top-tier REIT stock

Many investors avoid investing in high-yield dividend payers because many of these tend to not be very sustainable and the value of the shares often takes a nose-dive when a dividend is cut.

However, when considering AHIP REIT, while it's still possible to have dividends cut, that is not as much of a concern. The company's business model focuses on generating sustainable cash flows from proven hotel real estate properties in secondary cities across the United States.

At the time of this writing, the REIT's portfolio consists of 8,887 guestrooms spanning 79 different hotels. As a result of pursuing an aggressive growth policy, the REIT has seen its revenue double in the past few years, from US\$173.5 million in 2017 to US\$338.8 million by the start of this year.

Good asset management is a strong [highlight of American Hotel Income Properties](#), with the REIT anchoring its presence in the hotel industry through key railroad accommodation acquisitions, long-term contracts, and smart branding and re-branding license agreements. This makes this REIT a reassuringly capable dividend stock in which to invest.

## Earn \$250 monthly in your RRSP

At its current yield of an incredible 11.4%, if you were to invest \$26,230 (the maximum allowed yearly contribution to your RRSP) in this stock, you would be raking in a decent monthly passive income of around \$250.

As any unused contribution from the previous year can be carried forward, the figure could potentially be higher if a larger sum is contributed. However, we don't recommend you bank all your savings in just one stock but keep your portfolio diversified to better shield it from hiccups in the market.

## Summary

It would be dishonest to claim that any stock with double-digit yield is not a risky investment. The hotel industry also tends to be cyclical, and with the growth rate slowing down in the U.S., investors may rightfully be worried about putting their money in AHIP REIT over the long term.

However, its defensive play in the hotel sector, as well as an excellent past record of maintaining consistent payouts and low share volatility for the sector makes it one of the safest double-digit yield stocks to invest in right now.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:HOT.UN (American Hotel Income Properties REIT LP)

### PARTNER-FEEDS

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

### Category

1. Dividend Stocks
2. Investing

### Date

2025/08/24

### Date Created

2020/01/30

### Author

jhoang

default watermark