



TFSA Investors: Collect \$5,000 a Year With This Ultra-High-Yield Stock!

Description

The Tax-Free Savings Account (TFSA) is an excellent option for Canadian investors looking to shield their investments from profit-eating taxes. All money deposited into a TFSA is after-tax money, so all earnings, including dividends and capital gains, are non-taxable, both while in the account and upon withdrawal. As such, the TFSA is a flexible investment account and conducive to various investment strategies and styles. One such investment method is to buy and hold high-dividend-paying stocks to generate large amounts of passive, tax-free income.

With the calendar turning to 2020, the maximum contribution room in a TFSA is \$69,500. If invested in promising stocks paying juicy dividends, that pile of cash can add a hefty amount of passive income to your wallet. Today, we'll take a look at a stock that could allow you to collect as much as \$5,000 a year using that sum of money and simply raking in the dividends.

This retail REIT has a massive yield

Brookfield Property Partners ([TSX:BPY.UN](#))(NASDAQ:BPY) is a REIT with a heavy presence in the retail space. BPY currently carries a solid 6.89% return on equity and a year-over-year quarterly earnings growth of 104.70%. Beyond the financials, the large dividend yield makes this an attractive pick for long-term Canadian investors focused on generating income. BPY currently boasts a forward dividend yield of 7.18%, and the company's management [plans to hike dividends 5-8% annually for the foreseeable future](#). These figures are mouth-watering for investors looking to park a sum of money and reap the rewards from dividend payments.

Brookfield is run by real estate savvy management who operate with great efficiency and focus on their bread and butter to create profits. As such, [retail and office spaces combine to represent roughly 85% of the company's portfolio](#). The rest of the balance sheet is mainly allocated to opportunity-based investments. The company has a history of being able to scout out deals and take advantage of improperly priced properties to deliver even more value to their investors.

Worried about the volatility of Canada's real estate market? Keep in mind that Brookfield manages a

globally diversified real estate portfolio with assets across multiple continents.

How to collect \$5,000 a year with BPY

TFSA investors can take advantage of Brookfield's large and growing dividend yield to line their pockets with tax-free, passive income. If earning the forward dividend yield of 7.18%, an investment of the maximum TFSA contribution room (\$69,500) would generate \$4,990.1 in dividend payments over the course of a year. Now, while you should not put all your eggs in one basket, even investing 10% of the maximum contribution room would fetch you about \$500 a year in dividend income, and the dividend is poised to grow on an annual basis.

The bottom line

BPY offers a fantastic opportunity for Canadian investors looking to add huge dividend income to their TFSA. The company is headed by reputable management focused on sustaining and growing the business while offering increasing dividends to their investors, and a global portfolio of properties helps to limit geography-based risks. If you're searching for a reliable way to collect big dividends with long-term stability, adding BPY to your TFSA is an option worth checking out.

CATEGORY

1. Investing

TICKERS GLOBAL

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

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Date

2025/08/21

Date Created

2020/02/17

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