CRA: 6 Days Left for 2019 RRSP Contributions

Description

There is less than a week left until the RRSP deadline, for Canadians to contribute money to an RRSP and receive a tax credit for 2019.

For some, deferring taxes until retirement will be a good choice, especially if you earned a significant amount in 2019, and expect to have periods later in life with lower income levels to defer the taxes too.

For others, the benefits of contributing to an RRSP may not be as strong, and when you consider some of the disadvantages and drawbacks of an RRSP, it's clear that it may not be for everybody.

Luckily, since we have the option of contributing to the TFSA, you have a choice and can contribute to whichever benefits you the most, or even both if you have the savings to do so.

High quality is key

Regardless of which registered account you decide to contribute your savings to, the most important thing when the goal is retirement, is that your money is invested in high-quality companies that you can own for long periods of time, and that you can count on them to outperform the market.

One top Canadian stock that's known as a stable, long-term company, capable of creating a tonne of new value for investors while returning a growing dividend is **Canadian Apartment Properties REIT** (TSX:CAR.UN).

Canadian Apartment Properties is one of the leading REITs on the TSX, owning properties in Canada as well as Europe.

Residential real estate has been a great investment for Canadians over the last decade and will continue to be one of the leading industries going forward.

It's already one of the most defensive industries in the economy, considering everyone needs to live somewhere, and with more catalysts for growth, such as a growing population rate, the industry is one of the top choices for long-term investors.

Canadian Apartment Properties owns buildings as well as manufactured home communities (MHC). It has nearly 50,000 residential suites to go along with over 10,000 MHC sites.

The fund is one of the top stocks to own in the real estate industry. It has an impressive 99.2% occupancy rate in its residential suites as well as a 97.3% occupancy rate in its MHC sites, both extremely impressive numbers.

The company also has a number of growth projects in the works, that will add to its growth potential in addition to the natural growth it will see from strong industry fundamentals.

Most recently it acquired eight properties in downtown Halifax, adding more than 1,500 new units to its portfolio. Its continuous ability to find high-quality acquisitions and grow the business is what makes it such a high-quality investment.

You'd think with all the acquisitions it makes that the fund would have a lot of debt, but, financially, it's positioned well as are the rest of its operations. Its debt to gross book value is just 36.9%, and its interest coverage ratio is more than 3.50 times, showing the stability of its finances.

Through the first nine months of 2019, Canadian Apartment Properties had normalized funds from operations (NFFO) of roughly $250 million, giving the company an NFFO payout ratio of just 65%.

Growth + dividends

The REIT has been a growth king, and although the dividend currently yields just 2.3%, the stock is up more than 80% over the last three years, providing investors with a passive income stream in addition to major capital appreciation.

Using the hard-earned money you are saving up for retirement to invest in high-quality stocks you can rely on to grow and protect your capital, is the best way to ensure you spend your golden years relaxing and in the best financial position possible.

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1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)

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