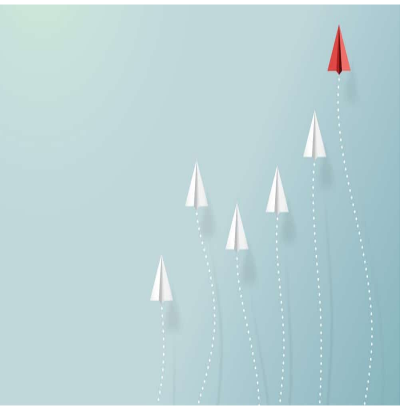

Market Crash: 1 TSX Stock With a Safe Yield!

Description

Concerns over the COVID-19 pandemic have caused a stock market crash. As more information about the outbreak emerges, it's becoming more likely that a recession is on the horizon.

As always, cash is king in a downturn. It's important to keep enough cash reserves to navigate the potentially turbulent times ahead in the near term.

So, it's probably not a good idea to be putting any money into the markets now that you might need in six months or even a year. However, investors with the right reserves and long-term outlook can take advantage of a market crash by buying cheap stocks. If you have cash you won't need to touch for a while, you can use it to make significant gains in the market.

With interest rates nearing zero, keeping cash in a traditional savings account isn't going to net you much of a gain at all. However, pouring that cash into healthy, dividend-paying stocks can help you generate cash flow now, and there could be upside in the share price down the road.

Now, with any market crash and recession, there will always be stocks that revoke dividends. So, it's especially important during these times to not just throw money at any stock offering a high yield.

Today, we'll take a look at a solid REIT trading on the TSX that should have the means to keep paying its dividend.

Choice Properties

Choice Properties REIT (TSX:CHP.UN) is a leading Canadian REIT. It manages a portfolio of 726 properties across the country, totalling 65.8 million square feet of total area.

While the company does own some industrial, residential, and office properties, its main bread and butter is its portfolio of retail properties.

Now, you might be thinking Choice could fare poorly in the near term because it's heavily focused on retail. However, it's important to note that its main tenant at retail locations is **Loblaw**.

Loblaw is Canada's premier grocery provider. Even during a market crash and economic slowdown, Loblaw is going to continue to produce quality earnings as it sells the necessities people still need to buy.

Choice's main tenant's business is about as recession-proof as they come. So, the cash flow that allows Choice to pay its dividend should be largely intact, even as Canada navigates a potential recession.

With the recent market crash, Choice is near its December 2018 through January 2019 levels. As of writing, Choice is trading at $12.40 and is yielding 5.97% annually. An investment of $10,000 would generate nearly $600 in dividends in one year.

Plus, there could even be upside in the share price, as passive-income investors start to flock toward safer alternatives. As mentioned, Choice should be a REIT with one of the safest dividends out there due to its strategic relationship with Loblaw.

Market crash strategy

With a lot of uncertainty ahead, it's advisable to have enough cash to weather a recession. However, if you have extra cash beyond that as your disposable, investing in dividend-paying stocks is a great way to grow your funds in this low interest rate environment. Choice is a solid Canadian REIT that's anchored by its relationship with Loblaw. As Loblaw provides many Canadians with staple goods, it isn't going anywhere. So, Choice's cash flow and as such dividend should be safe and sound. If you're looking for a way to put your extra cash to good use, give Choice a good look.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)

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