



Market Crash: How to Retire With \$500,000

Description

A market crash is a gift from the market to help you retire. Here's how you could retire with \$500,000.

Ideally, you want to invest your hard-earned money in income-producing assets so that you never have to draw down your principal.

You can retire anytime as long as you can generate safe income for your monthly spending. Essentials may include food, rent, utilities, and internet, but you should also throw in the wants, such as recreation and vacations.

Market crashes are golden long-term investing opportunities

Market crashes provide dividend stocks at ultra-low valuations. However, investors must view businesses from a long-term investing perspective. Additionally, these dividend stocks will have boosted yields because of the dragged-down stock prices.

Importantly, investors must aim to buy wonderful businesses with good balance sheets and safe dividends. Honestly, though, the current market crash that's triggered by a global pandemic makes it impossible to predict the severity of the short-term impact on the economy and businesses.

This is how you can retire with \$500,000.

Market crash: How to retire with \$500,000

This market crash offers [Brookfield Property](#) ([TSX:BPY.UN](#))(NASDAQ:BPY), a wonderful dividend stock, for investors to accumulate shares of.

The global real estate company offers a high yield of 12.5% at writing. Additionally, it has competitive advantages as an integrated, multifaceted real estate business with capabilities in operating, managing, and developing real estate assets.

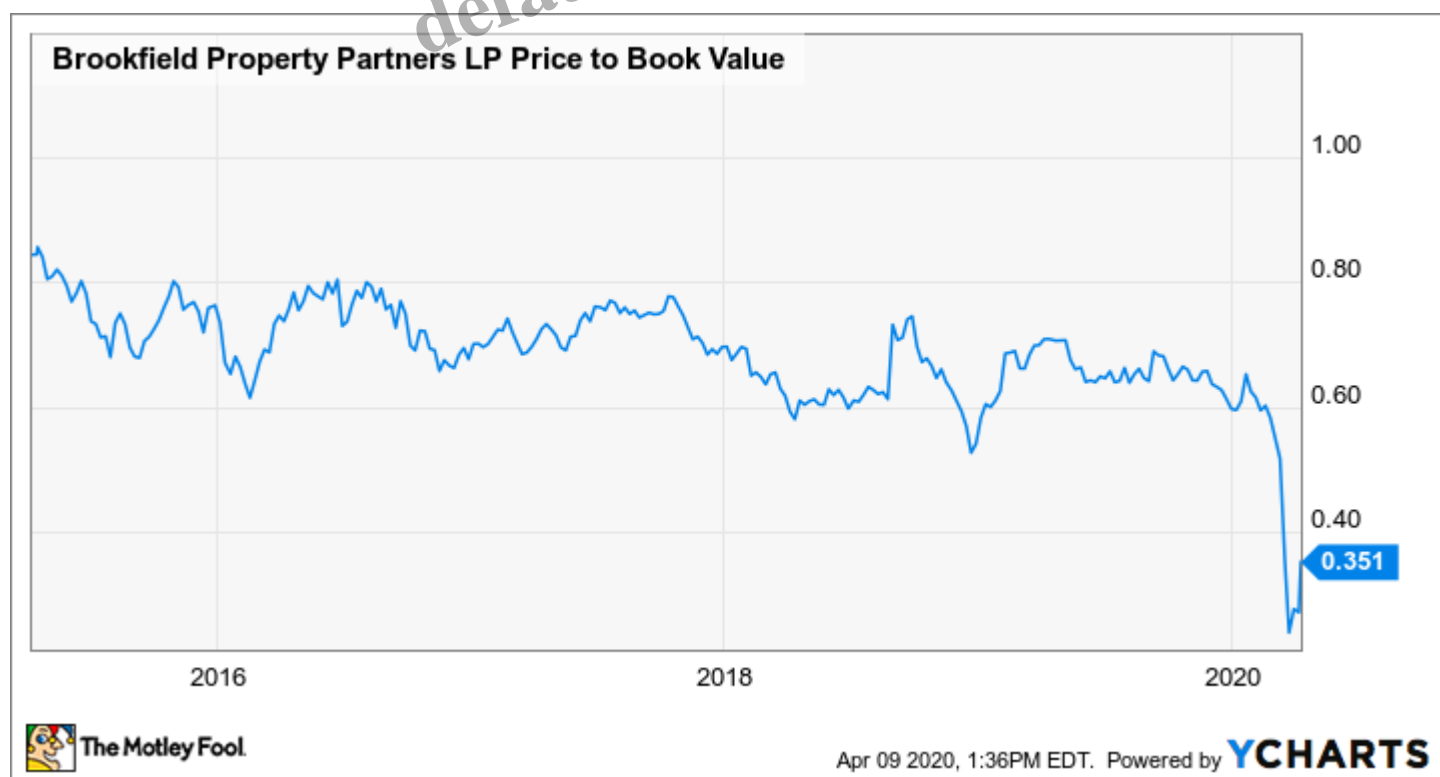
On a \$500,000 investment, BPY would provide passive income of \$62,500 per year. This is income that many Canadians can retire on very comfortably. Moreover, it's much better than the rental income one can get from rental properties.

Brookfield Property has [survived and thrived](#) in harsh economic environments before. This time should be no different. The company has a solid business model that focuses on high-quality office and retail assets.

To aim for greater gains, BPY enhances its real estate empire with an opportunistic portfolio invested in various assets, including multifamily, student-housing, manufactured housing communities, logistics, hospitality, triple-net lease, and self-storage.

BPY's core office portfolio is 93% leased with a remaining average lease term of more than eight years to quality tenants. And its core retail portfolio consists of best-in-class malls with recent same-property occupancy of 95%.

The company's corporate debt levels are low. About 72% of its debt is at the asset level. Therefore, in the worst-case scenario, BPY would hand over problematic assets to its creditors, while it would keep the rest of its portfolio intact.



BPY Price to Book Value data by YCharts.

BPY stock trades at an incredibly low valuation of 35% book value, even after its recent pop. As a result, BPY offers substantial price appreciation potential as well.

The Foolish bottom line

During market crashes are the best time to invest to help you retire early. You can accumulate BPY shares now at a substantial discount to its intrinsic value. Specifically, this is a 40% discount on a real estate empire with top-notch management that does all the work for you.

That said, COVID-19 has infected more than 1.5 million individuals and the numbers are still rising. If things get really bad, BPY can temporarily suspend its cash distribution. If so, investors should focus on its long-term cash flow generation (and future cash distributions) that are robust.

Everyone doing their part to fight the pandemic by practicing social distancing will help the economy get back to normal sooner.

And remember to wash those hands! Stay Foolish and safe.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

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

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Author

kayng

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