



CRA's CERB Will Disappear But This \$2,000/Month Is Permanent

Description

CRA's [CERB](#) will eventually disappear, as the COVID-19 pandemic will pass. The virus-triggered market crash gives a good opportunity for you to build a permanent income stream of \$2,000 (or more) per month.

You need to pay taxes on CERB payments, but your investment income can be tax-sheltered or tax-deferred. You can build a sizable income portfolio in your TFSA and RRSP immediately!

While COVID-19 impacted the whole economy, it really hit certain businesses hard.

Particularly, a superb area to invest for big income for great value right now is REITs that have meaningful retail exposure.

For example, **Brookfield Property Partners** (TSX.BPY.UN)(NASDAQ:BPY) stock fell as much as 60% from its high. It bottomed and then popped more than 60% from a low.

The high-yield dividend stock still has lots of room to run

The dividend stock still has another 68% to go to get back to its previous highs. Additionally, the stock trades at a discount of more than 60% from its book value! Therefore, it has lots of room to run.

It's a good reminder that during market crashes, investors don't need to catch the bottom to make good money. The important thing is to buy the dips in quality businesses and stocks that you're confident in holding through the volatility.

Personally, I took multiple bites in shares of Brookfield Property in my TFSA during the COVID-19 disruption. They have already appreciated 24-34% since March and April. I didn't catch the bottom, but I'm still very happy about the gains.

Hold the dividend stock forever to receive high income

Essentially, since I bought the shares at such low prices, I can hold the shares and collect its generous dividend forever. Currently, BPY is still cheap and pays out a quarterly cash distribution of US\$0.3325 per unit, which is [good for a high yield](#) of nearly 11.8%.

To get \$2,000 a month from the stock, investors require an investment of about \$204,090. That's a way better investment than a physical property that you need to manage yourself or pay someone to manage.

Why Brookfield Property is still a buy

Volatility will for sure persist through 2020 for Brookfield Property. For instance, a second wave in COVID-19 will likely cause another selloff in BPY stock. However, there's lots to like about the real estate stock.

BPY is an owner, operator and investor in a globally diversified portfolio of commercial real estate, including best-in-class office and retail assets, and interests in multifamily, triple net lease, industrial, hospitality, self-storage, student housing, and manufactured housing assets.

Management has the ability, expertise, and patience to improve its properties and draw value from them — either from getting rents or selling certain assets after improving the properties.

The company is a cash cow that generates substantial cash flows in most economic conditions. In the first quarter, it generated company funds from operations and realized gains of US\$323 million, down 12% year over year. The Q1 profits included net proceeds of about US\$119 million from asset sales.

BPY has increased its payout by 4.9% per year since 2014. In a normal market, the stock can sustain its big dividend and trade close to at least US\$19 for upside potential of 68% or more!

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1. Dividend Stocks
2. Investing
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1. Editor's Choice

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

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