



## My CERB: Get \$2,000 Every Month in 2 Easy Steps

### Description

### Get \$2,000 every month in My CERB

The CRA has spent more than \$60 billion from its benefits pool to give out CERB payments. Like the CRA, you can create your benefits pool, which can give you CERB-like \$2,000 in monthly payments in the long term.

The Canadian government encourages you to save a certain amount through the Tax-Free Savings Account (TFSA). If you are in your mid-30s and have never opened a TFSA, you can open it now and save up to \$69,500. From next year onward, you can add \$5,000-\$6,000 every year, depending on the annual contribution limit.

The next question is where to invest this amount. It's a little contrarian to what other analysts guide, but my pandemic stock pick is **RioCan REIT** ([TSX:REI.UN](#)).

### RioCan: A once-in-a-decade buying opportunity

RioCan has a portfolio of 221 retail, office, and residential properties, with an aggregate net leasable area of 38.6 million square feet. The REIT earns revenue by renting these properties and returns this cash to shareholders through dividends. It collects around 75% of its rent from retailers, theatres, and restaurants.

The pandemic-driven lockdown has hit non-essential retail, theatre, and restaurant businesses. RioCan faced three major challenges in the [second quarter](#) because of the pandemic:

- Rent collection: It collected 73.3% of its gross rent and made \$19.1 million in provision for rent abatements and bad debts.
- Reduction in fair value: Its investment properties' fair value fell by 3.1%, or \$451.7 million.
- Occupancy rate: Its occupancy rate fell from 97.1% in the second quarter of 2019 to 96.4% in the second quarter of 2020.

The above challenges reduced RioCan's stock price by 40% year to date to \$15.8, a level that was last seen in 2009. However, the REIT has maintained its dividend per share, which

As the economy reopens, RioCan's rent collection is increasing. In July, it collected 85% of the billed gross rents. By next year, the REIT will also improve its occupancy rate. In the meantime, it has sufficient cash to withstand the crisis and continue paying the current dividend rate.

With the stock down to its 11-year low, it's a once-in-a-decade opportunity to earn a 9% dividend yield for another 10-20 years and above.

## Building my \$2,000 CERB

If you invest \$69,500 in RioCan now, you will get a monthly dividend income of \$520. As the economy recovers, the RioCan stock will return to its pre-pandemic levels, probably by next year. This represents an upside potential of 70%, which means your \$69,500 will grow to \$118,000.

If you keep contributing \$5,000 every year in your TFSA, you can invest that amount in **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). Enbridge is North America's largest pipeline operator and earns over 80% of its revenue by transporting natural gas and oil through its pipelines. Its stock price is affected by oil prices, but it has stable cash flows. It not only

Enbridge has an average annual dividend yield of over 6%. If you invest \$6,000 every year in Enbridge, you can earn around \$1,500 in monthly dividend income in the next 10 years.

## My CERB is better than the CRA CERB

You can earn \$2,000 every month in dividend income from RioCan and Enbridge in the next 10 years. This amount will be exempt from your taxable income. Moreover, that amount will grow regularly and will continue for decades.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

3. TSX:REI.UN (RioCan Real Estate Investment Trust)

## **PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

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## **Author**

pujatayal

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