



## Why Brookfield Office Shares Surged

### Description

*Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.*

**What:** Shares of **Brookfield Office Properties** (TSX: BPO) climbed 14% today after **Brookfield Property Partners LP** ([TSX: BPY-UN](#)) said it would acquire the 49% of BPO that it doesn't already own for about \$5 billion.

**So what:** The cash-and-stock deal — Brookfield Office shareholders can choose one unit of Brookfield Property or \$19.34 in cash — values Brookfield Office at around \$19.34 per share and represents a 15% premium to its closing price on Friday. Brookfield Property is making the move to consolidate the companies' \$45-billion in real estate assets, and judging by its own stock's small gain today, Mr. Market is OK with the price being paid to do it.

**Now what:** The deal — which is expected to close in the first half of 2014 — will create a combined company holding more than 330 million square feet of commercial and residential assets across four continents.

"The combination of these leading commercial real estate platforms will create a diversified portfolio of best-in-class real estate for investors seeking attractive risk-adjusted returns, through income and capital appreciation," Brookfield Property CEO Ric Clark [said](#). "In addition, we believe this transaction will consolidate our global office properties under one platform and substantially increase Brookfield Property Partners' public float which should help accelerate our growth strategy."

So while Brookfield Office is probably all popped out at this point, Brookfield Property's newly bolstered scale might be worth looking into.

### What are you doing October 1?

Our senior investment analyst will unveil his [top two stock ideas](#) for new money now on Oct. 1. And **YOU** can be one of the select few investors to find out first — just [click here](#) to reserve your invitation.

*Fool contributor Brian Pacampara does not own shares of any of the companies mentioned. The Motley Fool doesn't own shares in any companies mentioned.*

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