



Why I'm Buying This Incredible Real Estate Stock

Description

Investors interested in owning real estate have a number of options. They can buy an apartment building, invest in a real estate fund, or park money in a REIT. However, the best option I've found is **Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NYSE:BPY) because it offers unparalleled diversification and really robust growth. That combination makes it the only real estate stock an investor needs to own, which is why I recently boosted my position in this real estate dynamo.

Unparalleled access

When picking a real estate stock investors really need to get a lot of things right. They need to pick the right asset class, the right geography, and the right management team if they want to invest in a successful real estate company. Unless, of course, they buy Brookfield Property Partners, which is so diversified that it's the easy choice.

What's really unique about Brookfield, which was spun out of **Brookfield Asset Management**, is its unparalleled diversification by asset class and geography, as well as the fact it's backed the exceptional management team at Brookfield Asset Management. The company owns some of the best office properties in the world, about 200 properties in the U.S., Canada, Australia, and Europe.

On top of that the company owns some of the best retail properties in the world, including more than 150 top-tier malls in the U.S., Brazil, and China. If that wasn't enough, the company also owns nearly 200 industrial properties in the U.S. and Europe, and over 22,000 multi-family units and 11 hotels in North America, Europe, and Australia. Suffice to say, Brookfield offers investors unparalleled access to the global real estate market.

Unparalleled growth

Because of its simply unmatched global access across all important real estate classes, Brookfield offers investors incredible growth because the company has so many options. One of the company's key growth drivers is actually its organic pipeline of projects. Brookfield is in the process of developing US\$4.5 billion of Manhattan real estate projects that will generate meaningful income growth over the next few years.

In addition to that, the company is also investing in other redevelopment projects throughout its portfolio to drive incremental rent growth, which puts the company on a path to grow its annual net operating income by over \$1 billion by 2020. That organic growth is expected to push its net income up 8-11% per year, which is expected to lead to 5-8% in annual dividend increases for investors over that same time frame.

However, beyond that built-in growth from development and redevelopment projects, Brookfield has enormous opportunities around the world to acquire additional properties in each of its segments and locations. It recently did just that: the company and a partner bought control of the Canary Wharf Group in London, which it called one of the "most treasured property estates in the world." The company is also participating in a small equity investment to join a private equity fund in the buyout of a multi-family company to bolster that segment of its business.

Beyond these recent deals the company sees a lot of opportunity to acquire properties in Brazil. Its resource-driven economy has struggled recently due to weaknesses in commodity prices, which led to a downturn in investments in that country. However, Brookfield sees this as an opportunity to acquire office properties in the country. After recently acquiring seven nearly brand new office buildings in the country, Brookfield expects to be a very active buyer in the country over the next few years.

Investor takeaway

Brookfield's diversified real estate portfolio is the driving force behind the company's very generous 4.5% distribution. It's a distribution that's on pace to grow by at least 5-8% per year in the long term, with the potential for faster growth if it can continue to acquire good properties. It's this combination of growth and income that's driving my decision to add even more of this incredible real estate stock to my own portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

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