



## Here's Your Chance to Become a Real Estate Tycoon

### Description

There's an allure to investing in real estate. Some think the only work involved is walking to the mailbox to get the rent cheque and then going to the bank to deposit it in your account. Unfortunately, most real estate investors learn the hard way that investing in the sector isn't that easy and that one has to work hard for the "passive income" real estate provides.

There is, however, a much easier way to invest in real estate, which is to buy the stock of a company that invests in the sector. While there are plenty of options to choose from, the best option, in my opinion, is **Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NYSE:BPY), which is really the only real estate investment you'll ever need thanks to its broad diversification. Brookfield Property Partners makes it easy to become a real estate tycoon.

### Unparalleled access and diversification

For most real estate investors, the best they can hope for is to eventually own a small portfolio of multifamily properties in their local market. However, that's actually a pretty risky way to invest because such an investor would be entirely exposed to just one asset class that's locked into one geographic location. If that local economy tanks, it could cause big losses.

Brookfield Property Partners, on the other hand, provides investors with broad exposure across multiple real estate asset classes. The core of the company is built around office and retail; it owns 153 premier office properties and 128 best-in-class retail properties.

The company has opportunistically invested in a number of additional real estate assets through private real estate funds managed by parent company **Brookfield Asset Management**. These investments include interests in 38,000 multifamily units, 54 million square feet of premier industrial properties, 27 hospitality properties, 90 self-storage facilities, and 300 triple net lease automotive dealerships. Further, its assets are located across the globe, including the U.S., Canada, Brazil, the U.K., Australia, China, India, and across Europe.

That's unparalleled access to real estate classes and markets that the average real estate investor couldn't dream of obtaining.

### **A growing income stream**

Brookfield Property Partners's current real estate portfolio provides investors with very stable income. An investor buying today would be able to lock in an annual yield of 4.65% on that initial investment.

For perspective, a \$50,000 investment, which would roughly be the upfront financial requirement to buy one \$200,000 property, would throw off more than \$2,300 in cash flow per year. While that might not be as much as the leveraged income that could be pulled in by investing in a single property, there wouldn't be any midnight wakeup calls to fix a leaky toilet or chasing after tenants for late rent cheques.

In addition to the solid current income stream, Brookfield Property Partners estimates that it will be able to grow its payout by 5-8% per year. Driving this growth is a combination of factors, including increased occupancy and rents as well as the completion of the company's development and redevelopment projects.

In fact, the company already has more than half a billion in capital being invested in office and retail redevelopment projects to go along with more than \$5 billion of office and multifamily development projects. These projects all carry strong returns and will provide a nice boost to Brookfield's income in the future.

Further, the company and its parent have a long history of acquiring mispriced real estate assets with significant value-added potential, which could lead to even stronger distribution growth than the current organic growth outlook.

### **Investor takeaway**

Building a real estate empire from the ground up takes a lot of time, money, and hard work. Worse yet, the best most of us can hope for is to eventually own a small portfolio of multifamily properties close to home, which is actually a very risky proposition. That's what makes Brookfield Property Partners so appealing. It not only offers unparalleled access and diversification, but it pays a growing income stream right into your brokerage account.

In a sense, it is the easy way to become a real estate tycoon.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

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

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