



## Get Income and Growth From Brookfield Property Partners LP

### Description

Investments come with uncertainty, and there's less uncertainty in investments that offer decent dividends.

**Brookfield Property Partners LP** ([TSX:BPY.UN](https://www.bny.com/en/sectors/real-estate/brookfield-property-partners-lp))(NYSE:BPY) offers a nice dividend yield of 4.9% with growth potential from its dividend and price appreciation.

### The business

Brookfield Property owns, develops, and operates a diversified and high-quality real estate portfolio across Canada, the United States, Brazil, the United Kingdom, Europe, Australia, China, and India.

Its core portfolio makes up 83% of its balance sheet, and the company expects total returns of 10-12% from this portfolio.

Its core office portfolio has 149 premier assets totaling 101 million square feet in gateway cities such as New York, London, Toronto, Los Angeles, Sydney, and Berlin. There are also 9.5 million square feet of development projects that will contribute to future growth.

Brookfield Property's core retail portfolio has 128 best-in-class assets that are owned through its 34% fully diluted interest in **General Growth Properties**, which is the second-largest mall owner in the U.S.

Brookfield Property also has opportunistic investments that make up about 17% of its balance sheet. These assets include multifamily, industrial, hospitality, triple net lease, self-storage, and student housing assets that target higher total returns of 18-20% than its core assets. Overall, the company targets total returns of 12-15%.

### Income growth

Brookfield Property pays a U.S. dollar-denominated cash distribution, which unitholders can choose to receive in the Canadian dollar or U.S. dollar.

At about \$30 per unit and based on the current foreign exchange rate, Brookfield Property offers an above-average yield of 4.9%. The company expects to continue growing the distribution per share by 5-8% per year based on the company's estimated funds from operations growth per unit of 8-11% per year.

### **Growth potential**

Since Brookfield Property is a value investor, it's always on the lookout to acquire high-quality assets at a discount to replacement costs. Since the company invests across sectors and geographies, it can invest with the best risk-adjusted returns.

Further, on an ongoing basis, it increases its earnings through the leasing and development activities in its core portfolio. As well, the company recycles capital for higher returns. For instance, in the second quarter Brookfield Property sold or contracted to sell \$1.82 billion worth of properties that had sub-par cap rates.

Based on the above reasons, Brookfield Property has both income and growth potential.

### **Conclusion**

Brookfield Property is a value investor investing globally with the best risk-adjusted returns. It offers an above-average yield of 4.9% that should continue growing faster than inflation.

Furthermore, its core and opportunistic investments have total returns potential of 12-15%. So, Brookfield Property offers something for income and total returns investors.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

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

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**Author**

kayng

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