



## Gain Serious Real Estate Exposure With Brookfield Property Partners LP

### Description

Owning real estate is an incredible way to generate wealth; however, one problem is that small investors are only able to focus on one geographic area. One way around this is to invest in large real estate companies that have the resources to invest globally, picking the top assets in all parts of the world. One of the top companies with a diverse real estate portfolio is **Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NYSE:BPY).

Brookfield Property was launched in 2013 as one of the many spin-offs of **Brookfield Asset Management Inc.**, one of my all-time favourite companies to write about. Essentially, Brookfield Asset Management built a large portfolio of real estate, bundled it all up, and spun it off as Brookfield Property Partners. Now Brookfield Property Partners owns and invests in commercial, residential, self-storage, retail, industrial, and student-housing real estate in the United States, India, Brazil, Canada, the United Kingdom, Australia, and China.

All told, it has US\$66 billion in assets around the world. It owns 149 office properties comprising 101 million square feet around the world. And it owns a 34% position in **General Growth Properties Inc.**, which gives it exposure to 125 million square feet of prime retail space in the United States. Further, it has 53 million square feet of industrial space with another four million in development.

Brookfield further breaks its holdings down by core and opportunistic investments. On the core side, it's got the retail and commercial space, which account for about 83% of the portfolio. Management expects core holdings to grow by 12-15% for investors. On the opportunistic side, it invests in a slew of other types of real estate that, should they pan out, will achieve growth of 20% for investors; it's a much smaller part, so it doesn't have as much of an impact as the core portfolio.

One thing I like about Brookfield Property Partners is that it doesn't turn bad deals down. Real estate often appreciates in value quite significantly. Brookfield sells mature assets, so it can get underpriced assets. For example, in the third quarter, it sold One Shelley Street in Sydney, Australia, for AUD\$525 million, which resulted in net proceeds of US\$250 million. It then acquired 3 Spring Street in Sydney for AUD\$74 million.

All of this has made Brookfield Property Partners one of the best stocks for income investors to own. It pays US\$0.28 per quarter to investors—a very generous 4.9% yield. And if the company can continue to hit its earnings-growth estimates, management expects to grow the dividend by anywhere from 5% to 8% per year.

The reality is quite simple ... real estate is an amazing asset to invest in, but it can be difficult to invest at the scale that a firm like Brookfield Property Partners can. Therefore, investors that want global real estate exposure which generates lucrative dividends should look at this company.

Historically, the Brookfield family of companies has made incredible ROIs for their investors, so I believe this stock will continue to experience tremendous growth.

## 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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## Tags

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