



Tricon Capital Group Inc. (TSX:TCN) vs. Brookfield Property Partners LP. (TSX:BPY.UN): Which to Own?

Description

Tricon Capital Group Inc. ([TSX:TCN](#)) and **Brookfield Property Partners LP.** ([TSX:BPY.UN](#)) (NASDAQ:BPY) both seem like good businesses for real estate exposure in a diversified stock portfolio. Here's a quick comparison of the two to help you decide which, if any, should be added to your portfolio.

First, here's a quick business overview of the companies.

A business overview of Tricon Capital

The company is a principal investor and asset manager focused on the residential real estate industry in North America. It has about US\$4.8 billion of assets under management with about 91% of its assets in the United States across 10 states and the rest in Canada.

About 75% of its assets under management are the company's principal investments and co-investments funded with its balance sheet, and about 25% of the assets under management are from third-party investors, such as retail investors.



A business overview of Brookfield Property

Brookfield Property has about US\$159 billion of assets under management. It has 80% of its balance sheet in its core office and retail portfolio, which aims for total returns of 10-12%. Its core office portfolio is comprised of iconic assets in gateway cities such as Toronto, New York, Sydney, Berlin, and London.

Brookfield Property's remaining balance sheet consists of its opportunistic investments, which aims for total returns of 18-20%. Brookfield Property's general partner and manager owns a 69% stake in Brookfield Property.

Dividends and dividend growth

At the recent quotation of about \$11 per share, Tricon Capital offers a yield of about 2.5%. Since 2015, Tricon Capital has increased its dividend by almost 17%.

At the recent quotation of about \$25.80 per share, Brookfield Property offers a yield of about 6.3%. Since 2015, Brookfield Property has increased its dividend by almost 19%.

Both stocks offer sustainable dividends. Between the two, Brookfield Property has had a more consistent and predictable dividend-growth track record.

Valuation and upside potential

The analyst consensus from **Thomson Reuters Corp.** has a 12-month target price of US\$10.20 per share on Tricon Capital, which represents nearly 20% upside potential in the near term (using a conversion rate of US\$1 to CAD\$1.29).

The **Bank of Nova Scotia** analyst has a 12-month target price of US\$24 per share on Brookfield Property, which represents about 20% near-term upside potential.

Investor takeaway

If investors are more bullish on the North American residential real estate industry (with a focus in the U.S.), they should consider [Tricon Capital](#). However, if your focus is on getting a stable, growing income stream, you should consider [Brookfield Property](#), which offers an attractive yield of more than 6% for starters.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BPY.UN (Brookfield Property Partners)
2. TSX:TCN (Tricon Residential Inc.)

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