



More Deals for Brookfield Asset Management Inc. (TSX:BAM.A)

Description

It's pretty hard to mention asset management without drawing parallels to **Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)). Brookfield is the well-known asset management company that owns buildings, hotels, ports, hotels, and anything else the company identifies as a distressed asset that it can purchase and turn around.

Brookfield's portfolio holds some of the most well-known properties in dozens of countries around the world, including large chunks of downtown Toronto, New York, and Sydney, as well as prominent locations such as Canary Wharf in London and the Atlantis Bahamas.

Brookfield adds new properties, deals

Brookfield can now add another prominent location to that list: 666 Fifth Ave, in New York. The building was a sore spot in the portfolio of Jared Kushner's family company, which carried with it a staggering US\$1.2 billion in debt. Brookfield has been a fan of the building for some time, noting that a potential redevelopment of the property could follow any deal. Now that a deal has been reached, Brookfield has pegged the redevelopment of the property to be in the area of US\$700 million.

Re-developing a site is nothing new for Brookfield; the company is in the midst of a massive redevelopment in New York's Hudson Yards just a few blocks from the Fifth Ave property, which is one of the largest construction projects in the city and will boast over four million square feet of mixed-use space when completed next year.

Instead of a tear-down-and-replace project, the plan announced last week has Brookfield assume a 99-year lease of the property, allowing it to manage the company. This will let Brookfield turn around the business aspect of the property and eventually generate positive cash flow.

The Kushner building is not the only new addition to Brookfield's portfolio.

Last month, Brookfield announced the acquisition of Cleveland-based Forest City Realty Trust Inc., a real estate developer with a portfolio of over 10 million square feet of office space and 18,500 apartments. The deal cost US\$11.4 billion and will add to Brookfield's already massive portfolio of over

US\$155 billion in real estate assets.

An interesting point regarding Forest City is that the company is a REIT. I've mentioned on several occasions that [REITs make excellent long-term investments](#), and many of them are trading at discounted levels, which makes them appealing options to be acquired by larger companies such as Brookfield.

Why Brookfield makes a great investment

Brookfield's ability to discover distressed assets, acquire them, and turn them around into viable profit-earning businesses is just one of several compelling reasons why the company should be part of nearly every portfolio.

Brookfield's quarterly dividend, which provides a 1.50% yield is a nice addition too, but growth, not income, is the real reason to consider investing in Brookfield. Over the past year, Brookfield has risen over 10%, and expanding that growth out to a two-year period depicts an equally impressive return of nearly 20%.

Throw in a slew of [impressive quarterly results](#), and you have a long-term gem that should be part of nearly every portfolio.

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