



## Get a Lifetime of Dividends from This Mispriced Stock

### Description

The market is not giving any respect for **Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NASDAQ:BPY). The real estate giant is trading at near multi-year low levels, but its dividend generation capability is the strongest ever!



BPY data by YCharts

Using NASDAQ:BPY instead of TSX:BPY.UN in the charts is more meaningful because the limited partnership reports in U.S. dollars and offers U.S. cash distributions.

Brookfield Property has steadily increased its dividend per share over time. Since the stock has

declined about 18% from a high, the company is offering a historically high yield of about 6.2%. This is a dividend opportunity that likely won't last long.

### **Brookfield Property's portfolio**

Brookfield Property has a core portfolio of office and retail assets, including 150 premier office properties in gateway markets around the world, and 125 quality retail properties in the United States. This core portfolio aims for stable returns of 10-12%.

You can find Brookfield Property's iconic office assets in Sydney, New York, Toronto, London, and more. This month the company reported that its office portfolio is 92.7% leased with an average remaining lease term of 8.5 years. Moreover, expiring leases have 10% mark-to-market opportunity. So, there's ample room for rent increases.



Brookfield Property's core retail portfolio totals 122 million square feet. The portfolio has same-property occupancy of 94.2% with average rent spreads of 20% for leases starting in the trailing 12 months.

Brookfield Property also allocates a portion of its resources in mispriced assets, which currently include multifamily, industrial, hospitality, triple net lease, self-storage, student housing, and manufactured-housing properties. This opportunistic portfolio aims for higher returns of 18-20%.

Ironically, the stock itself is [mispriced](#) today, trading at a bargain.

### **Real estate is a long-term, income-focused investment**

One of the best qualities of real estate properties is their stable income generation. Real estate properties are long-term investments that you could theoretically buy and hold and get a lifetime of income from.

Brookfield Property's dividend is well covered by the stable cash flow generated by its quality portfolio without accounting for the asset sales it makes.

Brookfield Property's quarterly dividend per share is almost 6.8% higher than it was a year ago. Going forward, management aims for dividend-per-share growth of 5-8% per year.

Notably, Brookfield Property pays cash distributions that consist of U.S. interest income. Therefore, RRSPs/RRIFs would be an ideal place to hold TSX:BPY units.

## Investor takeaway

Brookfield Property just completed the acquisition of GGP (i.e., its retail portfolio), of which it previously had a 34% stake in. Now, it has full control of this portfolio of best-in-class retail properties.

Brookfield Property got a good deal, and original GGP shareholders who held their shares now enjoy a juicier dividend and a more diversified portfolio. It'd be interesting to see how Brookfield Property will reshape its retail portfolio to reposition it in the changing retail landscape.

Meanwhile, shareholders get to enjoy a competitive yield of 6.2%. Now is a great opportunity to buy Brookfield Property at [a bargain](#) for a lifetime of growing dividends!

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

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

## PARTNER-FEEDS

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