



## 1 Top Stock to Buy in June

### Description

## Matt Smith: Brookfield Property Partners

With interest rates remaining on hold for longer than anticipated, the hunt for yield among retirees and income hungry investors has intensified, sparking a surge in the popularity of dividend-paying stocks. A top pick for investors seeking to boost passive income is **Brookfield Property Partners L.P.** (TSX:BPY)(NASDAQ:BPY), which pays a quarterly distribution yielding almost 7%. It owns a globally diversified portfolio of flagship office and retail properties, including Brookfield Place New York, Darling Park Sydney and Canary Wharf London.

Brookfield Property reported some solid first quarter 2019 results. Net operating income (NOI) soared by 34% to US\$1.1 billion and funds from operations (FFO) shot up 13% to US\$258 million, driven by earlier property acquisitions and higher rents. Aside from its proven ability to grow earnings, the trust is trading at a 28% discount to analysts average estimated net-asset-value (NAV) of US\$27.41 per unit, highlighting the upside available.

Investors will be rewarded by Brookfield Property's regular distribution, which it has hiked for the last six years straight to be yielding a juicy 6.7%. That payment appears sustainable, with it representing 68% of trailing twelve-month net income. That does appear optimistic because it includes one-off proceeds from asset dispositions. A superior measure is trailing 12-month FFO, where the distribution totals 94%, indicating that it is sustainable. Brookfield Property's growing earnings bodes well for further distribution increases.

*Fool contributor Matt Smith has no position in any stocks mentioned.*

### CATEGORY

1. Investing
2. Top TSX Stocks

### TICKERS GLOBAL

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

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