



A Popular Real Estate Stock Could Soar if it Makes This 1 Acquisition

Description

It's already a highly popular choice with Canadian dividend investors and REIT fans alike and pays a significantly high dividend yield. However, **Brookfield Property Partners** ([TSX:BPY.UN](#)) (NASDAQ:BPY) could be about to get a lot more interesting in the next couple of months.

All it needs to do is snap up **Howard Hughes**, a real estate developer in the United States that owns, manages, and develops commercial and residential and mixed-use properties “from Wall Street to Waikiki,” as it states on its website. Howard Hughes’s stock recently leapt 28% on the news that it had hired Centerview Partners (an investment banking advisory firm in the U.S.) to start looking into various options, including selling out.

Why would Brookfield Property Partners want to buy?

Brookfield Property Partners would be the perfect new owner of an asset like this. Howard Hughes is arguably not well suited to trading publicly, though its diversified assets would clearly be a profitable boon to anybody that snapped them up. In short, it makes sense for Howard Hughes to consider selling up, and it also makes sense for a larger organization to consider buying it up wholesale, including its impressive real estate assets.

Howard Hughes’s CEO David R. Weinreb has gone so far as to say that all options are on the table: “Our business continues to perform extremely well across our three core segments, with price per acre of land sold, net operating income, and condo sales all exceeding our expectations; however, our stock continues to languish below its net asset value per share.”

While Brookfield Property Partners isn’t the only potential buyer, it may be worth watching this stock in the event that the Canadian property company takes possession of this strategic American real estate asset. With other buyers such as **Blackstone Group** potentially throwing their hats into the ring to take ownership, the review process is set to conclude at the end of the season.

Brookfield Property Partners is already a strong investment

Brookfield Property Partners is a solid buy already, paying real estate investors a tidy 7.21% dividend yield. A nicely diversified REIT with a global footprint, Brookfield Property Partners boasts an [impressive large basket of real estate assets](#) that includes office space, retail buildings, domestic residences, storage, student digs, plus buildings for the industrial and hospitality sectors.

Cash flow certainly isn't an issue for Brookfield Property Partners with a suitably high compound annual growth rate (CAGR) of 8% demarcating a relatively safe, solid investment. While other REITs are often held up as being classically defensive, especially apartment REITs, Brookfield Property Partners has the edge with its sheer scale, stable growth, and very impressive yield.

The bottom line

Attractively priced and [holding a great range of properties](#), Brookfield Property Partners is the one of the top investments Canadians can make in the real estate space. If it goes ahead with the current acquisition, the company could see its share price rise on the news, though the stock, of course, remains a solid buy, even without the sale going through.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BX (The Blackstone Group L.P.)
2. TSX:BPY.UN (Brookfield Property Partners)

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