



Increase Your Income Without Working More

Description

Earning rental income from real estate is one of the most common ways to generate income. However, being a landlord comes with responsibilities.

For example, as noted on the Canada Mortgage and Housing Corporation, or CMHC, website, it says, "Landlords must maintain the tenant's home in a good state of repair and fit for habitation and at the landlord's expense comply with health, safety, housing and maintenance standards."

Here's a simpler and better way to increase your income without working more! [Earn passive rental income](#) from **Brookfield Property Partners** ([TSX:BPY.UN](#))(NASDAQ:BPY).

There are a lot of benefits. First, you get income from a much more diversified portfolio. Second, the company and its properties are managed by professionals (so you can sit back and enjoy the passive income rolling in).

Third, you can choose not to borrow any money to buy the stock (versus getting a mortgage for a property). Therefore, you don't have to worry about interests and paying back the debt that you would otherwise owe.



Why Brookfield Property is the perfect REIT to buy right now

Brookfield Property has pretty much traded in a sideways channel since it was spun off from **Brookfield Asset Management** in 2013. Since then, it has increased in scale and diversity.

Moreover, BPY has increased the cash distribution by 5.7% per year since 2014, and it aims to increase the dividend by 5-8% per year. This is exactly what investors want when they purchase a rental property — rising income.

Eventually, as the company increases its dividend, the stock price is going to rise, too, because we don't see dividend-growth stocks with safe yields of 10% lying around.

BPY's book value per share has grown by about 16% since 2013, but it's trading at the low end of its normal price-to-book (P/B) range. Assuming a fair P/B of 0.80, it'd imply a fair price of US\$23.81 per unit, which is more than 26% higher from the current levels.



BPY Price to Book Value data by YCharts.

Not only is BPY an undervalued stock, but it also offers a very high and safe yield of 7%. It has a portfolio of core office and retail assets that it earns stable rental income from.

Specifically, it has 143 premier office properties and 123 quality retail properties totaling 217 million square feet. Additionally, it has 12 million square feet of core office and multifamily development projects in the pipeline.

Furthermore, BPY has 20% of its portfolio in opportunistic, higher-return investments that comprise of a

wide diversity of investments, including office, retail, multifamily, logistics, hospitality, triple net lease, self storage, student housing, and manufactured housing assets.

Foolish takeaway

You can buy BPY for an initial yield of 7%, and that [passive income](#) is set to increase by 5-8% per year. What's more? The stock is cheap right now and has at least 26% upside to its fair value today. Assuming the stock reverts to a fair multiple over five years, buyers today can expect total returns of about 17% per year!

CATEGORY

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

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