



## Passive Income Seekers: This High-Quality Real Estate Stock Will Make You Rich

### Description

Real estate has been one of the hottest markets the last few years, especially in Canada. The main reason for this is down to one thing, cheap money.

With interest rates around the world considerably lower than the historical norm since the last recession a decade ago, [real estate](#) has been one of the biggest beneficiaries.

A number of companies have taken full advantage; building, buying and developing projects while the cash is cheap and easy to attract.

One of the top real estate companies you can buy today that owns a portfolio of high-quality properties around the world is **Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NASDAQ:BPY).

Brookfield is one of the best real estate stocks in Canada and has had a busy 2019 to date.

It's completed more than 19 million square feet in leasing and developed more than one million square feet of future growth projects.

It's also recycled more than \$2 billion in proceeds from the sale of assets while investing over \$1 billion in development projects and \$300 million on acquisitions.

The busy year has so far been an impressive one for Brookfield, as it continues its run of building up one of the premier real estate platforms in the world.

The company is a buyer, builder, operator and if need be, a seller of these real estate projects that are developed to create stable and growing cash flows.

This has been helped a great deal by the low rate environment, as access to capital is cheap; according to data analytics, cap rates still remain strong and disconnected from treasury rates.

It's no surprise that its acquisitions have been so successful and created so much value over the last few years, as it's part of the Brookfield stable. All Brookfield companies are known for their shrewd

investing and capital management.

Its portfolio is split 41% office; 43% retail; and the remaining 16% is part of the LP investments. The LP investments are heavily diversified and consist of assets in multi-family and student housing to self-storage.

The total portfolio's assets under management (AUM) is nearly \$200 billion worldwide. It operates in Canada, the United States, Europe and Middle East, Asia Pacific and Brazil. The near \$200 billion of assets includes the partners' assets as well, so BPY alone has a portfolio of roughly \$70 billion AUM.

One of the main reasons that Brookfield is so successful is its strong operational expertise. The expertise not only helps the company to get the most profit it can out of its properties, but also helps in the acquisition and development process.

It's not just creating value through increased rent and residual income the properties receive, but also the creation of tons of value upon the exit of investments. This allows it to lock in a capital gain and recycle the money to new, higher margin projects.

Brookfield's stock has been relatively flat the last few years, but it has returned cash to shareholders through the attractive dividend it pays. Its dividend has increased 75% since 2014, and today yields approximately 5%.

Real estate, especially the top-of-class assets Brookfield owns, hasn't shown any sign of slowing down soon, so it's reasonable to expect it to continue on its path of value creation.

It represents the perfect stock for long-term value-oriented investors, especially those searching for more exposure to the safety of the real estate industry ahead of some potential market turmoil.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

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

## PARTNER-FEEDS

1. Business Insider
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