



1 Great Income Stock I'd Buy Today

Description

I have found that the best place to find bargains is by looking in a dump. You get things cheap when others don't want them. Most of my best successes have come from these kinds of investments. The returns can be outsized if you pick a winner.

The problem with picking out-of-favour stocks is that you can wind up looking like a chump for a long time. I remember buying shares of **Procter and Gamble** for around \$72 a share back in 2015. At the time, it seemed like the shares were going nowhere. They languished at that level for years, until finally in 2019 they took off like a rocket, moving from \$72 to the current price of \$122 in a heartbeat.

The problem is that those three years of frustration seemed to be intolerable. That was three years of waiting, seeing nothing happening, with no way to know if the stocks would move or not. Then suddenly, in a heartbeat, the stock took off.

You see, that is the way investing works. It is not a linear progression but rather an explosive movement in the stock price that no one can predict. Choosing a cheap stock that has a potential reason for movement is the key. In the case of Procter and Gamble, it was the fact that the company is a stable, dividend-paying stock.

Right now, there is a Canadian company that is trading very cheaply with a [7% yield](#) that can grow over time. That company is **Brookfield Property Partners** ([TSX:BPY.UN](#))(NASDAQ:BPY). This company has been chucked to the side by overly pessimistic investors unjustly and is a great target for people looking to pick up a fantastic yield at a discounted price.

The main reason that BPY has been abandoned is due to the fact that it holds a number of retail property locations within its portfolio. As many investors have seen, brick-and-mortar retail has been decimated by the trend towards online shopping. Businesses that have existed for years have gone under, making many people sour towards the sector.

I have to admit, the retail property space has been a difficult one for years. But there are reasons to believe that BPY may be getting punished much more severely than it should. The 43% of its holding that is in retail real estate has made investors uncomfortable. Brookfield, however, has been expanding its holdings in other areas, such as multifamily, self-storage, and hospitality properties to mitigate the retail risk.

Since there has been a massive move out of the retail real estate market, properties are quite cheap. This makes them excellent targets for value-oriented companies like Brookfield. This company has a long history of purchasing undervalued assets and realizing their full potential.

BPY is also very diversified geographically. Unlike other companies that only focus on a particular area, such as Toronto or New York, BPY looks to buy companies in these cities and many others all over the world.

No conversation about BPY would be complete without considering the distribution it pays on a quarterly basis. At 7.2%, this yield is head and shoulders above other investments in a similar sector.

Furthermore, this company seeks to increase the already massive payout by 5-8% annually. In 2019, BPY made good on this promise by increasing the payout by 5%. Next month, we will see if continues to do the same going forward. This distribution is supported by its 20% year-over-year growth in net income reported in the Q3 report.

Brookfield Property Partners is a great buy today

At this level, Brookfield Property Partners is a very good income stock to add to your portfolio, There is also the opportunity for [excellent upside](#) returns. With it trading at depressed levels, you have the potential to capitalize on a move higher when others begin to recognize the value in this company.

I'm not going to lie; it might take a while for others to get into the game on this great income play. But in the meantime, sit back and enjoy the US\$0.33 per unit getting distributed to your account each quarter.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
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