



## Buy This REIT During the Coronavirus Bear Market

### Description

Real estate has traditionally been a safe-haven asset. After all, it's the only thing they're not making more of.

Over time, real estate has proven an effective hedge against inflation and [market volatility](#). That's what makes real estate investment trusts (REITs) so attractive.

REITs are vehicles that let the public buy into a portfolio of property assets. It's like a crowdsourced landlord. Instead of you needing to manage all of the properties, the REIT's management team does the heavy lifting.

The scale of a REIT also allows you to gain exposure to a wide variety of assets all over the world. If you stick to real estate investing on your own, you'll only be able to buy a few properties in a handful of locations. And you'll need to handle all of the contracts and maintenance yourself.

REITs allow you to become a global landlord with none of the work.

Most properties have rent-paying tenants. REITs return this cash flow directly to shareholders in the form of dividends. Even when REIT stocks are surging, these dividends beat the market, ranging between 3% and 5%. When a bear market hits, these dividends can reach 7% or more.

**Brookfield Property Partners** ([TSX:BPY.UN](#))(NASDAQ:BPY) is a textbook example of a high-quality REIT trading for a bargain discount during a recession. The dividend recently surpassed 10%, and shares are trading at a 75% discount to book value.

As we'll see, this company will have no problem surviving the coronavirus bear market, meaning shareholders can make big gains by investing now.

### Here's what you're buying

Brookfield Property owns one of the largest portfolios of real estate in the world, including office, retail,

multifamily, industrial, hospitality, self-storage, student housing, and manufactured housing assets.

Its assets are iconic, including Canary Wharf in London, Brookfield Place in Brooklyn, First Canadian Place in Toronto, and Potsdamer Platz in Berlin. The portfolio is truly global, with \$9 billion in assets in Canada, \$137 billion in the U.S., \$3 billion in Brazil, \$31 billion in Europe and the Middle East, and \$14 billion in Asia and Australia.

If you want to gain instant exposure to all real estate classes throughout the entire global, this is the stock to buy.

The coronavirus bear market has hit REITs hard. Foot traffic is expected to fall off a cliff, hurting retail assets. Businesses may contract or shutter in the coming recession, hurting office assets. Those categories comprise 84% of Brookfield's portfolio. It's a big reason why shares are down 50% since the crisis began.

But real estate isn't going away. Brookfield owns iconic assets in high-demand locations. When conditions normalize, business will return to normal. Liquidity is always a concern, but executives released a statement today that said the company has sufficient capital to outlast even a prolonged downturn.

## **This isn't the only bargain**

Brookfield's \$6 billion in cash and credit lines should keep the business afloat through 2020 with ease. Investors willing to take the risk can buy assets for a 75% discount to book value. When conditions normalize, expect that discount to narrow quickly.

But Brookfield isn't the only high-quality stock trading at a bargain valuation. Dozens of dirt-cheap stocks are now ripe for the taking. As the coronavirus bear market continues, remain proactive in building your buy list. Leave no stone unturned.

### **CATEGORY**

1. Coronavirus
2. Dividend Stocks
3. Investing

### **POST TAG**

1. Editor's Choice

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

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