



## Triple Your \$1,000 Investment With This Real Estate Stock

### Description

The [coronavirus](#) meltdown provided some of the best buying opportunities this decade. The recent market rally, however, eliminated most of the bargains. But some stocks still trade at crazy valuations. One real estate stock in particular is screaming to be bought.

If you've been following the real estate market, you're likely familiar with **Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NASDAQ:BPY). The company owns some of the most iconic locations in the world, including First Canadian Place in Toronto, Brookfield Place in New York City, and Canary Wharf in London.

Despite owning a high-quality portfolio of properties, this real estate stock is trading at an insane discount to its intrinsic value. Even after a brief spike, shares trade at 33% of its stated book value. The COVID-19 pandemic likely reduced the value of its holdings, but there's no way the portfolio is worth two-thirds less.

Betting as little as \$1,000 could pay big [dividends](#) in the months and years to come.

### This is your chance

Owning property is typically a great hedge against volatility. That's what made real estate stocks such a reliable bet in previous bear markets. But why has Brookfield stock experienced such a dramatic fall, down by more than 50% since the year began?

Every economic shock is different. Sometimes there's war. Other times there's a disruption to the world's oil market. This time, of course, there's a pandemic. Businesses have shuttered around the world. Governments have sealed their borders. Foot traffic at retail locations has crawled to a halt.

All of this is terrible news for Brookfield, as 80% of its portfolio consists of office and retail properties. The company has seen a dramatic fall in rental income from its retail tenants. And while its office space has fared much better, there's concern over how long these businesses will continue to foot the bill for unused physical locations.

If this sounds challenging, it is. This real estate stock *deserved* to fall in value. But the question now is: has the stock price correction gone too far?

## Buy this real estate stock

As mentioned, Brookfield shares now trade at one-third its stated book value. Is the value of its assets permanently impaired, or will this valuation spike higher once conditions normalize?

Before the COVID-19 crisis, Brookfield was selling mature assets for *more* than their stated book value. Management had a \$1 billion unrealized gain on *two* separate properties. It was reasonable to expect the stock to trade above its book value.

The next few months will be difficult, but as conditions stabilize, expect the current valuation discount to narrow quickly. Brookfield's assets cannot be replicated. They're located in some of the most desirable locations in the world.

Whether it take two months or two years, these assets will regain their former value. Brookfield's management recently highlighted that they have enough liquidity to withstand the downturn. They're so confident that they reaffirmed the stock's 12.8% dividend!

If you want to take advantage of the market turmoil by picking up deeply discounted real estate stocks, Brookfield Property should top your buy list.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

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

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