



Brookfield Asset Management Steps Up Investments On Brick And Mortar As It Continues To Bet On Real Estate

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The future of high street retail in the United States has appeared jittery at best with the increasing popularity of digital shopping. However, even as other real asset investors reduce exposure to the brick and mortar retail market, Brookfield has stepped up

investments in this area.

Over the last five years Brookfield Property Group, the real estate arm of Brookfield Asset Management has invested nearly a third of its portfolio in the retail space. The Brookfield Property Group so far has \$150 Billion in real estate investments and has continued to steadily increase its exposure to the retail market in the last few years. In 2017 alone the firm acquired interests in three malls in the US for a tune of \$150 Million.

Brookfield plans to reposition the malls and through its stake in the

property company GGP, the asset management company has already acquired 13 anchor units all of which were previously occupied by Sears. Brookfield will revamp these units and lease them to a new tenant.

Why Retail Real Estate

Brian Kingston, the CEO at Brookfield Property Group notes that the firm has been actively involved in investing in retail real estate. The CEO also added that through GGP, Brookfield has invested a sizable amount of capital in acquiring and

◀ repositioning new assets. Although Mr. Kingston agrees that this is more of a contrarian investment since most investors are shying away from retail real estate, the sector is one of the less competitive ones and therefore the opportunities for good returns are very compelling.

Brookfield noted in a letter sent to its shareholders in August that it had repositioned nearly 100 anchor units through GGP, one of the biggest mall owners in the US. The asset management firm confirmed that the units were already occupied.

Brookfield's Retail Strategy

Brookfield's strategy is to focus on high quality retail and then curate the units in a way that allows retailers to benefit more from their lease. Although Kingston agrees that the emergence and growth of online retailers has had a negative effect on traditional retail spaces, the company has been investing on logistics spaces to support the expansion of e-commerce too. Brookfield Property

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Group already owns 45 million square feet of logistics space in the US and Europe. 7 million square feet was added this year alone.

Modern warehouse logistics centers are essential in the success and growth of ecommerce and Brookfield sees this as a new area that has very compelling upside for growth. Besides, the world is changing how it shops. People favor an online shopping option. Brick and mortar stores that will find ways to use the internet to compliment their retail spaces will reap big from

this trend. The warehouses and fulfillment centers are going to be crucial in all this.

Office Space Investments

Brookfield has also put money on office space in fact the company is expected to raise a sum of between \$ 1 Billion and \$2 Billion from divestments in this sector. The firm has maintained a bullish outlook on the office space sector and it will continue to focus on investments that are aligned with tenant demands in the market.

Investing With Brookfield Asset Management

As one of the major real estate and alternative assets investment firms in the world, [Brookfield](#) offers investors a good opportunity to diversify away from liquid assets. You can buy into the firm by purchasing its stock on the New York Stock Exchange under the ticker symbol BAM.