

Brookfield Property Confirms \$14.8 Billion Offer To Buy Remainder of GGP

Brookfield offers \$23 a share for remaining 66% of GGP

Cara Lombardo

Nov. 13, 2017 11:00 a.m. ET

THE
WALL STREET
JOURNAL

Brookfield Property Partners LP confirmed Monday it has made a \$14.8 billion offer to buy the shares of mall owner [GGP](#) Inc. [GGP](#) that it doesn't already own.

Brookfield offered to pay \$23 a share for the remaining 66% of GGP, half in cash and half in equity, the company said.

The Wall Street Journal first reported Sunday that the [proposal had been submitted to GGP's board](#).

The proposal represents a 21% premium on GGP's closing price Nov. 6, before reports published about a possible deal between the two companies. GGP shares rose 6% Monday, while Brookfield shares slid 3%.

Under the proposal, GGP investors could choose either cash or 0.9656 of a limited-partnership unit of Brookfield Property for each share, subject to proration that keeps the consideration of cash and units from each exceeding \$7.4 billion.

Some analysts said Monday Brookfield appears to be opening with a low bid. Analysts from Boenning & Scattergood said in a research note that a bid would have to be at least \$30 a share to be successful, adding that Brookfield's offer could prompt mall-centered real estate investment trust [Simon Property Group](#) Inc. to enter as a counter-bidder.

Brookfield said the transaction would create a property company with nearly \$100 billion of real-estate assets and annual net operating income of about \$5 billion.

Brookfield Property, which is part of [Brookfield Asset Management](#) Inc., owns or operates office properties, retail centers and multifamily housing units. GGP owns around 125 high-end retail centers around the U.S.

"We are excited about the opportunity to leverage our expertise to grow, transform or reposition GGP's shopping centers, creating long-term value in a way that would not otherwise be possible," Brookfield Chief Executive Brian Kingston said in prepared remarks.

GGP, formerly known as General Growth Properties, confirmed receipt of the offer Monday and said it has formed a special committee to carefully review the proposal. The company said there can be no assurance that a deal will be made.

Any deal would be subject to approval from a majority of non-Brookfield-affiliated GGP shareholders. A combined company would be approximately 30% by existing GGP shareholders.