3 Stable Companies That Don't Care About Canadian House Prices

Description

Canada's investors are very worried about the country's housing market, and for good reason. If real estate prices were to fall, then indebted Canadians could easily start defaulting on their mortgage payments. Construction activity could dry up, and this could easily lead to job losses. Shrinking profits at the banks would lead to lower loan activity, further damaging the economy.

These worries shouldn't be limited to just the financial and real estate sectors. So, is there any place for a Canadian investor to hide?

Well, there are some companies that are immune to Canada's looming economic woes, and you don't have to look abroad to find them. Below are three examples.

1. Telus

No matter how bad things get for the Canadian economy, the big three telecommunications providers should be relatively unaffected. After all, even if you're unemployed, you're not going to give up your cellphone and Internet access. Thus shareholders in these companies should feel relatively secure.

So, which of the three should you hold? Well, **Telus Corporation** (TSX:T)(NYSE:TU) is likely your best option. It has the happiest—and most loyal—subscribers, which allows the company to take market share from its competitors. Better yet, the company is weighted heavily towards high-growth data services. There's plenty of room for further growth, no matter how far Canada's house prices fall.

2. Loblaw

Canada's grocers are very immune to the business cycle, and this should be fairly obvious. In fact, there's an argument that the grocers benefit when the economy does poorly because people are less likely to eat at restaurants.

Loblaw Companies Limited (TSX:L) is Canada's largest grocery chain, and this offers up a number of advantages. Most importantly, being the biggest player gives Loblaw lots of bargaining power with suppliers.

So once again, investors have little to worry about with a company like this because no matter how poorly the economy does, people will still fill up their carts.

3. Restaurant Brands International

Another company with little to worry about is **Restaurant Brands International Inc.** (TSX:QSR)(NYSE:QSR). This company was formed by the amalgamation of Burger King and Tim Hortons, and it has a bright future ahead of it.

Of course, in Canada Tim Hortons has a very solid position. And no matter how badly the economy does, people will still want their double-double.

But the real excitement for RBI comes from international markets, something the Tim Hortons Brand has struggled with so far. It's what the company is focusing on, and even if our housing market crashes, that will not change.

There are other Canadian companies that aren't affected by the Canadian economy (such as gold miners), but the three names listed above are especially stable and ideally suited for investors looking to avoid big risks.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. NYSE:TU (TELUS)
3. TSX:L (Loblaw Companies Limited)
4. TSX:QSR (Restaurant Brands International Inc.)
5. TSX:T (TELUS)

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Date
2025/07/22
Date Created
2015/05/21
Author
bensinclair