2 High-Quality Stocks for Hardcore Value Investors to Buy Right Now

Description

There are bargain stocks, and then there are bargain stocks. Some value investors like to trawl through anything undervalued and pick things up because they're cheap. But the best way to shop for value stocks, according to seasoned pros, is to look for low-priced quality buys, with an emphasis on quality. Below you will find two high-quality stocks that are an absolute steal at the moment.

Northview Apartment REIT (TSX:NVU.UN)

Discounted by 30% compared to its future cash flow value, Northview is one of the better REITs out there at the moment. It's a great value for money and pays a decent dividend, making it a great choice for an RRSP or TSFA. In terms of value, its P/E ratio looks great at 9.8 times earnings at the moment, adding to the consensus that this REIT is worth getting. **TD Securities** seems to think so, too: it upgraded Northview from a "hold" to a "buy" signal earlier this month.

One of the main reasons why Northview is worth your attention as a value investor is that it is trading at book price. This means that as far as its assets are concerned, you're really getting your money's worth. While Northview's outlook is a little stagnant — it's looking at a low 0.6% expected annual growth in earnings — at least it's positive.

Value investors who are looking to pad their TFSA or RRSP should look no further than this well-valued stock: paying a current dividend yield of 6.26%, this REIT is a great fit for your savings account, whether you're a young investor or looking toward a nearby retirement.

Cogeco (TSX:CGO)

While communications stocks are often mentioned only in connection with headline-heavy players such as **Rogers**, there are a few quietly profitable picks hanging around in the TSX's bargain basement. Today, you can find Cogeco trading at a discount of more than 50% of its future cash flow value, to name a popular media stock.

Cogeco's P/E ratio looks good today at a reasonable 8.5 times earnings. Though its outlook for the coming years is a little on the dour side (consider a 3.5% expected contraction in earnings), Cogeco's

P/B ratio isn't too shabby at 1.5 times book. As with the REIT listed above, Cogeco is a good little earner that's ripe for a TFSA or RRSP, paying a dividend yield of 2.45% as per today's trading price.

Media and real estate may not be an obvious pairing, but when looking at these two stocks' valuation today, it does seem that both with fit quite nicely into a value investor's portfolio. They're diversified and pay good dividends, making for decent passive savings in the long term.

The bottom line

In summary, Cogeco is a quality media and communications stock with good geographical diversification, though be aware of its high level of debt, which is currently up at almost 170% of its net worth. Meanwhile, if REITs are your thing and you're bullish on real estate, add Northview to your portfolio for some sweet passive income that will accumulate nicely in your savings account or retirement fund.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CGO (Cogeco Inc.)

PARTNER-FEEDS

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1. Investing

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