



TFSA Investors: 2 of the Best Buy-and-Hold Stocks Today

Description

Every now and then, you'll need to sell some stocks that have become overvalued or whose businesses have matured and are starting to go in decline. While it may have been a great investment, investors need to know when to take their profits and recycle the capital to better opportunities.

There are some stocks, however, that you'll never need to sell — stocks that will last the test of time, whose business and economics make give it an unmatched advantage and whose management is wonderfully long-term oriented, so you know your capital will be protected and in good hands.

The [long-term](#) strategy of buying stocks is one that was popularized by none other than Warren Buffett, and he has proven the incredible growth you can build in your portfolio by buying stocks to hold for extended periods.

For those investors looking for some top Canadian stocks to store in your portfolio and build wealth, two great options to buy today are **Park Lawn** ([TSX:PLC](#)) and **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)).

Park Lawn

Park Lawn is a funeral, cremation, and cemetery provider, and is, in fact, the largest death care company in Canada.

One of the main reasons why it's such a great long-term hold is due to its economics. Its industry is virtually unavoidable; as the old saying goes, nothing is certain except death and taxes.

It's unfortunate to say, but the death care industry has been growing, especially as the population grows and ages, so it's inevitable that its sales will continue increase organically.

Besides these obvious and unfortunate industry facts, Park Lawn is a really well-run company, and one that has been growing its assets considerably through acquisitions. In fact, on acquisitions alone, the company has spent \$170 million so far in 2019 and spent \$275 million in 2018. In total, it now has 103

cemeteries, 95 funeral homes, and 38 crematoria across Canada and the United States.

In addition to the organic growth it sees and its growth from acquisitions, Park Lawn has also been increasing its margins. Up to the trailing 12 months, its earnings before interest, taxes, depreciation, and amortization margin had increased by 520 basis points since 2016.

Its stock is up more than 150% in the last five years, showing just how incredible its growth has been, and you can expect more of the same, as it continues to execute at a high level.

Canadian Apartment Properties

CAPREIT is a real estate operator of residential properties across Canada and Europe, though nearly 90% of its assets are in Canada.

It's one of the strongest real estate funds in the strongest real estate sector: residential.

What gives real estate companies their strength generally are their underlying assets and the locations they exist in. This is what makes CAPREIT so strong.

While it is geographically diversified, 45% of it is still exposed to Ontario, where its occupancy rate is 99.6% — clearly, one of the strongest real estate markets in Canada. In total, its company-wide residential suites occupancy rate sits north of 99%, and its MHC occupancy is 97.5% — both very strong.

It also has growth projects in development to complement the growth it's seen from high-quality acquisitions.

Through its solid growth strategies, it has been growing its normalized funds from operations (NFFO). In the first half of the year, NFFO per unit was \$1.03.

Its dividend yields just over 2.5% today, and the payout ratio is highly stable and consistently around 65%.

It is easily one of the strongest real estate companies in Canada, so if you want exposure to real estate and residential real estate at that, CAPREIT should be at the top of your buy list.

Bottom line

Building your portfolio with long-term stocks that you should expect to hold forever will give you the best chance at growing your wealth while protecting it, too.

These stocks are some of the best in Canada and serve industries that are staples of the economy, so you know your capital is protected.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSX:PLC (Park Lawn Corporation)

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1. Business Insider
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