Have $5,000 to Invest? Here Are 5 TSX Stocks I'd Buy Today!

Description

TSX stocks have risen almost 35% since hitting March lows. Generally, it appears the markets are pricing at least a U-shaped recovery from the COVID-19. We are finally starting to see a rotation from tech stocks (**Microsoft**, **Amazon**, **Shopify**, etc.) to cyclicals, industrials, and real estate.

I think TSX real estate stocks present some very attractive opportunities. Out of the pandemic, there are certainly some winners and losers in this sector. Yet, if you pick correctly, you can collect some pretty awesome dividends and see some capital appreciation going forward.

If you have $5,000 that is free to invest, here are five different TSX real estate stocks that have a great mix of growth, income, and value today!

Buy TSX multi-family housing stocks

Multi-family REITs have been some of the most consistent performers out of the COVID-19 crisis, but I think there is still upside potential.

European Residential REIT is the only TSX-listed REIT that has 100% exposure to Europe, primarily the Netherlands. Demand for multi-family housing is consistently strong in this market due to high population density and lack of housing supply. Strong demand translates into strong, consistent rental growth. It also has significant acquisition consolidation opportunities. This REIT is still cheap and pays a 3.75% dividend.

Canadian Apartment REIT (TSX:CAR.UN) is actually a major shareholder in European Residential REIT. If you want a safe way to play the Canadian housing market, then this is it. Despite the pandemic, CAPREIT continues to have strong overall occupancy (over 98%) and is maintaining consistent operations.

It is the TSX's largest REIT stock by capitalization, yet it still has significant capacity to grow. Canada has a massive housing shortage in most major cities, so demand for multi-family remains consistently strong. CAPREIT has $182 million of liquidity, and a debt-to-gross-book ratio of only 36%.

In the first quarter, it acquired 1,724 suites, and it has an aggressive pipeline in both Canada and Europe. While it only pays a 2.9% dividend, it is a really solid real estate bet. I think for many years you can expect it to do what it does best: buy underperforming properties, renovate/improve them, and then unlock rental and property value.

TSX industrial REIT stocks are rebounding

The pandemic crisis has only accelerated e-commerce trends across the world, and that bodes well for industrial REIT stocks trading on the TSX.

Granite REIT has an institutional quality portfolio of logistics and industrial properties. This REIT is diversified geographically and in tenant mix. It has 60% exposure to logistics and e-commerce focused properties. While Granite has outperformed most other REITs this year, it a very solid stock to own. It has a best-in-class balance sheet, a great management team, and a well-covered, growing 4.3% dividend.

WPT Industrial REIT is a TSX stock with 100% exposure to the United States. It has been bouncing nicely back from its March lows. Finally, investors are recognizing the quality of its large, logistics-focused properties. WPT is located in the top U.S. distribution hubs and has a diverse array of e-commerce, distribution, and consumer-staple tenants. It still remains undervalued today. It pays a fantastic 6% distribution, and it remains one of my top overall TSX stock picks.

This niche real estate stock is going up

The last TSX stock that operates in a very unique real estate niche is **Storage Vault** (TSXV:SVI). It is Canada's largest self-storage operator. It has 202 stores across the country. This is an interesting asset class, because people require self-storage no matter the economic environment and regardless of a pandemic. Self-storage stocks have historically delivered superior ROI's when compared to the overall sector.

Simply, Canadians have a lot of stuff that we want to hold onto. Storage Vault benefits from this and other trends, like population growth, population densification/urbanization, and an aging population (i.e., downsizing baby boomers need storage). While this TSX stock doesn't pay a large dividend, it is investing in expansion. Today, it trades below its historical valuation, despite demonstrating strong operations this year.

It, among all these stocks, has some really strong tailwinds and solid growth potential. I think all five are great long-term investments today!

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TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSX:SVI (StorageVault Canada Inc.)

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