



3 TSX Stocks to Buy for Real Estate Riches

Description

Should Canadians invest in a potential real estate boom? Across the pond, the U.K. is attempting to “build, build, build” its way out of recession. A similar program of infrastructure reform might similarly benefit Canada. As a method of turning fortunes around in a post-pandemic economic environment weighed upon by recessionary stressors, property development certainly has its benefits.

A massive home rebuilding project might also be necessary from a climatic point of view. For instance, hydrogeological rezoning could see a staggered exodus of homeowners out of at-risk flood zones. As reported by *Scientific American*, a [new analysis](#) by First Street Foundation found that FEMA had “undercounted nearly 8 million homes and businesses that face substantial risk of flooding.”

While brick-and-mortar properties themselves will form part of a real estate growth thesis, infrastructure stocks are an all-weather play all by themselves. Looking beyond homes and businesses, investment growth can also come from the construction sector.

Pick all-weather real estate stocks

Real estate investing covers more than just REITs. While there are still a few gems among that asset class, the pandemic has weighed disproportionately on the rental sector. But there is also the construction space to consider. Materials stocks could also be a good fit here. And if investors play the real estate space right, it can also lend defensive backbone to a portfolio – and even some passive income to boot.

Construction was one of the first industries to get back to work mid-pandemic. And it’s likely to be an evergreen area for the foreseeable future. So which stocks should investors buy for a building boom? Two names stick out in particular: **Norbord** and **Finning International**. Norbord is a buy for its wood-based panels used in construction, while Finning is a pure-play for Caterpillar equipment.

Factor in hidden risks and get defensive

Investors should also factor in an [election-generated uncertainty](#). November could add further disruption to markets already stirred up by the pandemic and its attendant economic hardships. But even if the U.S. election doesn't weigh on investors, the markets are still in for a frothy transition into 2021. The disconnect between the economy and the markets could spell trouble by the end of the year.

For a low exposure play that is also a [recession-proof pick](#) in its own right, investors could consider newly listed **GFL Environmental**. GFL is primarily a waste management name, but this stock is also a buy for its access to construction sites.

However, investors focused on the lowest-risk assets may want to concentrate on longer-established names such as Norbord – a stock that has seen steep gains already this year.

By mixing asset types within the real estate space, investors can bring in an element of diversification. Materials stocks like Norbord, with its 102% three-month gains, pair well with equipment and soil remediation names (Finning and GFL, respectively).

Even without a building boom, this trio of stocks should remain solid during any economic climate. Given the right conditions, though, all three could break out.

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