TFSA: 2 Dividend Stocks Yielding up to 10% to Buy Now

Description

The Canada housing market has enjoyed a huge rebound in the months of June and July. According to the Canadian Real Estate Association (CREA), more homes were sold in July than any other month in the last 40 years. Fortunately, owning real estate outright is not the only way for investors to get in on this hot market. Today, I want to look at two dividend stocks in housing that can generate nice returns and mouth-watering income in a TFSA.

TFSA: This dividend stock is reliable and linked to a booming housing market

Genworth MI Canada (TSX:MIC) is the largest private residential mortgage insurer in Canada. This means that increased activity in the housing market in June and July will hugely benefit its bottom line. Shares of Genworth have dropped 26% in 2020 as of close on August 21. However, the stock is up 21% over the past three months.

TFSA investors should look to target this dividend stock for its consistency and income. In Q2 2020, the company saw premiums written increase 17% from the prior year to $227 million. Net income rose 3% quarter over quarter to $98 million. Transactional new insurance written rose 50%, or $1.6 billion, from Q1 2020. Genworth looks like a fantastic target, as we digest the impressive numbers for the Canada housing market.

Shares of Genworth last possessed a price-to-earnings (P/E) ratio of 7.6 and a price-to-book (P/B) value of 0.8. This puts the stock in very attractive value territory. Moreover, it last announced a quarterly dividend of $0.54 per share. This represents a strong 6% yield. Genworth is a top-shelf dividend stock for any TFSA.

This housing stock can generate huge income in your portfolio

In early June, I'd discussed whether new lending rules introduced by the CMHC would have a negative impact on housing activity. At the time, I'd suggested that Canadians continue to have faith in the housing market due to high demand, an economy that was reopening, and low supply. **Bridgemarq Real Estate** (TSX:BRE) offered fantastic value when the article was published.

Bridgemareq provides various services to residential real estate brokers and REALTORS across Canada. Its stock has surged 47% over the past three months. The stock is still down 4.5% in 2020. TFSA investors should still feel good about stashing this dividend stock in late August.

In Q2 2020, the company saw revenue dip marginally to $11.4 million compared to $11.8 million in the prior year. Predictably, this weakness was due to slumping activity, as Canada moved to fight the outbreak of COVID-19. Like Genworth, Bridgemarq should see improved numbers on the back of soaring housing activity.

Shares of Bridgemarq last had a favourable P/E ratio of 14. Better yet, it announced a monthly dividend of $0.11.25 per share, which represents a monster 10% yield. Bridgemarq is on the mend with the broader real estate sector. TFSA investors should consider this undervalued stock that offers a tasty monthly dividend.

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aocallaghan