2 Canada Housing Dividend Stocks Yielding up to 10% to Buy This Fall

Description

Last week, I'd posited that the Canada housing market had a great chance to soar in 2021. The Canadian economy is facing major challenges in the months and years ahead as it contends with the effects of the COVID-19 pandemic. However, there is still a lot to like about the fundamentals in this sector. Today, I want to look at two dividend stocks in the housing sector that are worth picking up.

This Canada housing dividend stock boasts a 10% yield

Bridgemarq Real Estate Services (TSX:BRE) is an Ontario-based company that provides various services to residential real estate brokers and REALTORS in Canada. Its shares have dropped 2.4% in 2020 as of close on October 9. The dividend stock has climbed 14% over the past three months.

Investors got a look at its second-quarter 2020 results on August 7. Revenue slipped marginally from the prior year due to pandemic-driven weakness. However, management stated that it was pleased with the strength of the bounce back that the industry saw in May and June. That rebound showed strength in July, August, and September.

Back in June, I'd suggested it was a good time for investors to get in on Canada housing stocks. I'm still bullish on this dividend stock in the middle of October. Bridgemarq last possessed a price-to-earnings (P/E) ratio of 14. This puts the stock in favourable value territory. Better yet, it has maintained its monthly dividend payout of $0.1125 per share, representing a monster 10% yield. This real estate-focused stock is well positioned to gain from momentum in the Canada housing space.

Another reliable stock in the housing space

While Bridgemarq offers a beastly dividend, **Genworth MI Canada** (TSX:MIC) is one of the most reliable options of all dividend stocks on the TSX. The company is the largest private residential mortgage insurer in the country. Shares of this dividend stock have dropped 27% in 2020. The stock is up 13% over a three-month span.

The company released its second-quarter 2020 results on August 5. Net income rose 3% quarter over quarter to $98 million. Meanwhile, transactional premiums and total premiums written climbed 51% and 99%, respectively. This is very encouraging when we consider that we are yet to see Genworth's results during the stronger late summer season. Sales have continued to erupt in major metropolitan areas, particularly in Toronto, in September. Canada housing is one of the few sectors that has managed to thrive in the face of this crisis.

This dividend stock last had a P/E ratio of 7.5 and a price-to-book value of 0.8. That puts Genworth stock in very attractive value territory. Investors looking for exposure to the housing space should look hard at this quality undervalued equity. Moreover, Genworth last announced a quarterly dividend of $0.54 per share. This represents a tasty 6.1% yield. It has delivered dividend growth for 11 consecutive years.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

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