Canadians: Here Are the Best Housing Stocks to Buy Today

Description

The Canada housing market was under pressure when the severity of the COVID-19 pandemic became apparent. Many analysts and onlookers have called for a significant correction in real estate over the past decade. However, loose credit policy, low supply, and strong demand have consistently underpinned this thriving market. I'd suggested investors should snag housing stocks during the summer of 2020. Today, I want to look at three of the best housing stocks on the TSX ahead of February.

This housing stock is an elite dividend option

Genworth MI Canada (TSX:MIC) is the largest private residential mortgage insurer in Canada. Its shares have dropped 17% year over year as of mid-afternoon trading on January 29. The stock has been mostly static in 2021. I'm bullish on this housing stock because of its wide moat and impressive dividend history. Moreover, it will continue to benefit from a robust real estate market.

In Q3 2020, Genworth reported net income of $317 million in the year-to-date period. This was down marginally from $318 million in the prior year. However, net income did jump in the third quarter. New insurance written from transactional insurance rose 37% to $8.3 billion on the back of an increase in mortgage originations.

Shares of Genworth currently possess an attractive price-to-earnings (P/E) ratio of nine and a price-to-book (P/B) value of one. This housing stock offers a quarterly dividend of $0.54 per share, representing a 4.9% yield.

One real estate stock that offers big monthly income

I'd discussed the prospects for the Canada housing market coming into the new year. The positive momentum it exhibited led me to suggest **Bridgemarq Real Estate** (TSX:BRE). This companyprovides services to residential real estate brokers and REALTORS across Canada. Its shares haveclimbed 7.4% year over year.

Bridgemarq released its third-quarter 2020 results on November 6. Revenue fell marginally from the prior year to $10.7 million. It reported a net loss of $2.2 million, or $0.23 per share. Very strong real estate markets drove many realtors to reach their cap in Q3 2020. At this point, they no longer need to pay franchise fees. This drove down earnings for Bridgemarq.

This housing stock does not offer the value it did coming into the pandemic. However, it still boasts a monthly dividend of $0.1125 per share. This represents a monster 9% yield.

A housing stock that is thriving in this market

Equitable Group (TSX:EQB) is one of the largest alternative lenders operating in Canada. Its shares have climbed 26% over the past three months at the time of this writing. However, the stock is only up 1.1% year over year.

In Q3 2020, the company delivered adjusted earnings per share growth of 30% to $4.13. Meanwhile, deposits rose 10% from the prior year to $16.4 billion. Loans under management increased 6% year over year to $32.6 billion. Equitable Bank has delivered robust earnings since suffering from the housing correction in 2017.

Shares of this housing stock last had a very favourable P/E ratio of 8.4 and a P/B value of 1.2. Moreover, it offers a quarterly dividend of $0.37 per share. That represents a modest 1.4% yield.

CATEGORY

1. Investing

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1. TSX:BRE (Bridgemarq Real Estate Services Inc.)
2. TSX:EQB (EQB)

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1. Investing

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