



## 2 Stocks on Sale: Act Quickly and Buy Now

### Description

The TSX's [mild bull rally](#) continues in the second quarter of 2021. Canada's main stock market index is up nearly 9% year to date, with 10 of its 11 primary sectors in positive territory. The healthcare sector is the frontrunner (+37.61%), while the materials sector (-4.24%) is the only losing sector thus far.

Despite the majority of the sectors' steady performance, some stocks are on sale. The bargain deals are **Innergex Renewable Energy** ([TSX:INE](#)) and **Dream Office** ([TSX:D.UN](#)). Act quickly and snag either or both before the prices rebound. Both companies pay dividends so that it could be a double-whammy for would-be investors.

### Strategic growth

Innergex is a \$3.97 billion, independent renewable power producer. It develops, acquires, owns, and operates wind farms, solar farms, and hydroelectric facilities. The operations are global, and the assets are in Canada, Chile, France, and the United States.

The current share price is only \$22.73 (-16.27% year to date), while the dividend offer is a respectable 3.17%. Market analysts are optimistic the price will potentially climb to 41% to \$32 in the next 12 months. Given the sunny forecast, the utility stock is an [attractive prospect](#).

Innergex's business performance last year wasn't bad at all. Total revenues and adjusted EBITDA grew by 10% and 3% versus 2019. Management describes 2020 as the year of strategic growth and construction activities. The first milestone was the strategic alliance with Hydro-Québec.

The company closed three project financing deals in 2020, one solar, hydro, and wind. Four projects are also under construction, while two acquisitions (Idaho, U.S. and Chile) were successful.

According to Michel Letellier, Innergex's president and CEO, completing two acquisitions, overseeing multiple development projects, while simultaneously operating 75 sites in four countries was quite an endeavour. For 2021, management projects both revenue and adjusted EBITDA growth to be 12%.

## Rebounding REIT

Dream Office is a \$1.07 real estate investment trust (REIT). The COVID year wasn't a good year for REITs in the retail, commercial, and office sectors. However, the real estate stock is slowly recovering from the carnage. While Dream Office is losing 4.45% in the last 12 months, the year-to-date gain is 8.44%.

If you were to invest in this REIT today, the share price is \$21.21, while the dividend yield is 4.71%. A \$25,000 investment will generate \$1,177.50 in passive income. Analysts covering Dream Office see the price to rise to \$25.50, at best. Still, the hefty dividend is hard to ignore if you're an income investor.

Despite the massive headwinds in 2020, the REIT posted a 51% increase in net income versus 2019. As of year-end 2020, Dream Office's available liquidity stands at over the \$148 million. Its unencumbered assets are worth nearly \$245 million. In January 2021, rent collection is a high 96.9%, with zero deferral arrangements.

Regarding occupancy in 2020, the rate slid to 88% from 90.8% in 2019. Nevertheless, the tenant mix is diversified and healthy. Notably, 50% of Dream Office's top tenants have A credit ratings or higher. Also, its top 10 tenants make up more than 38% of gross rental revenue.

## Great dividend plays

Innergex Renewable and Dream Office fly under the radar. However, the business outlook of each is enticing. Now would be the best time to take positions in either or both. The dividend payouts should be the compelling reasons to invest.

### CATEGORY

1. Dividend Stocks
2. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. TSX:D.UN (Dream Office Real Estate Investment Trust)
2. TSX:INE (Innergex Renewable Energy)

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### Date

2025/08/16

### Date Created

2021/04/07

### Author

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