TFSA Investors: 3 Amazing Stocks Available at a Bargain Price

Description

Whether you are looking to fill up your Tax-Free Savings Account (TFSA) with some amazing securities or are stockpiling your RRSP for retirement, it's a good idea to be on the lookout for great bargains. Undervalued companies with great growth potential or generous dividend yields can be found almost all year round, and you don't have to wait for a market crash to get these amazing deals.

And if you are looking for some amazing undervalued stocks to buy in your TFSA, there are three that should be on your radar.

An integrated forests products company

2021 was a great year for lumber and forest products companies. The price of lumber reached all-time high levels, and companies like **Canfor** (TSX:CFP) saw their revenues grow rise by more than 100% compared to the same quarter last year. And even though the spike in price was relatively short-lived, its impact on the valuation of these companies was more lasting.

Canfor is still trading at a price-to-earnings of just two and a price-to-book of 1, making it an unbelievable valuation bargain. But if we consider the current lumber prices, buying the stock at this bargain price before the third-quarter earnings (when the valuation might reach a more realistic level) might be preemptive. Still, from purely a bargain perspective, Canfor is a steal at its current valuation.

An undervalued REIT

Killam Apartment REIT (TSX:KMP.UN) has always been a decent growth stock. The best part about Killam's growth is its consistency, and unlike many other growth stocks that saw an unnatural growth spike post-pandemic and then had to go through a correction phase (many are still there), Killam grew steadily. So steadily, in fact, that it hasn't even reached its pre-pandemic valuation yet.

But the sustainable 10-year CAGR of 13.1% is an amazing bargain at a price-to-earnings of 9.4 and a price-to-book of 1.2 times. The decent 3.2% yield is just the cherry on top. Another strength of this

REIT is the geographical diversification of its portfolio. The financial growth is almost as consistent as its stock growth, which makes endorses its long-term capital appreciation potential.

Another apartment REIT

Canadian Apartment Properties REIT (TSX:CAR.UN) is another apartment-oriented REIT that offers amazing growth potential. It has a 10-year CAGR of 15.4% and is currently quite attractively undervalued, even though just mildly discounted (6.4% from its 2021 peak). The 2.4% yield can be considered the added bonus since growth is the primary reason to consider this particular undervalued REIT.

With 70,000 residential apartment suites to its name and a market capitalization of $10.2 billion, it also happens to be one of the largest REITs in the country. The competitive edge it gets from its market dominance, along with its financial and dividend stability as a Dividend Aristocrat makes it an amazing long-term holding.

Foolish takeaway

You should seek to diversify your TFSA portfolio just as much as your retirement-focused RRSP portfolio, and that includes adding both growth and dividends into the mix. Both Killam and Canadian Apartment offer a decent combination of dividends and growth and are the type of stocks you can hold in your TFSA long term. Canfor, on the other hand, is just aggressively undervalued and might be a good buy-and-forget security at its current valuation.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
2. TSX:CFP (Canfor Corporation)
3. TSX:KMP.UN (Killam Apartment REIT)

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