1 Dream Canadian Stock to Buy Is up 33% and Climbing

Description

There are a lot of stocks on the **TSX** today receiving upgrades thanks to a strong earnings report season. The TSX continues to hit all-time highs, up 18% year to date as of writing. But if you're looking for a Canadian stock to buy, it can be hard in a sea of good news.

I want a Canadian stock to buy while it's still valuable, that analysts believe has a strong future ahead, and that hopefully offers a high dividend yield on top of strong returns.

In this case, I've been more and more convinced that **Dream Industrial REIT** (TSX:DIR.UN) is that stock.

Earnings

Let's first take a look at Dream stock's earnings report from this week. The company, with its now 326 properties, focuses mainly on industrial real estate. This is where e-commerce giants have been focusing as well, using the space to store and ship products around the world.

This focus has proven to provide top-line growth for Dream stock. During the latest earnings report, this Canadian stock increased diluted funds from operations by 25%, net asset value by 18.8%, and rental income by 41.3% year over year. Further, its property values increased quarter over quarter, with $162.5 million in value gains.

The announcement proved strong, beating analyst estimates when it announced its report on Tuesday, Nov. 2, after the bell. It now has some analysts even calling the future of the stock "exciting."

What analysts are saying

The amazing third-quarter results made many analysts look again at Dream stock. It became a top Canadian stock to buy as it flew past expectations, with strong organic growth expansion. Its Canadian portfolio is up 7.8% year over year, with a 15.2% gain in Ontario.

But it’s not just in Canada. Including Europe, the company closed eight assets for a total of $220 million. But Dream stock has a $600 million acquisition pipeline in the works. The consensus potential upside was increased to $20 per share — a potential upside of 18% as of writing.

Bottom line

The Canadian stock to buy remains cheap, with a P/E ratio of 8.77 as of writing. Motley Fool investors looking for a steal and returns to boot would do well to consider Dream stock. Even with this cheap price, there is strong potential growth in the future. And that’s on top of the 33% from this year alone.

Long term, this is a stable stock that offers growth related to the e-commerce space coupled with solid dividends. As of writing, you can pick up the stock with a dividend yield of 4.14%. That would turn a $20,000 investment into $823 per year in dividends.

Motley Fool investors looking for a deal today and returns for life would do well to consider this dream scenario. As the company continues its growth-through-acquisition strategy, with e-commerce to expand globally, this would be a prime company to pick up for solid long-term growth.

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Date
2025/08/23
Date Created
2021/11/06
Author
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