Canada Housing Is on Fire: 3 TSX Stocks to Buy Today

Description

When this year started, I'd discussed why the Canada housing bull market was well positioned to press on due to strong fundamentals and favourable monetary policy. Canadian real estate sales moved up again in the month of October 2021. Meanwhile, prices have steadily increased throughout the year. Today, I want to discuss why the market has caught fire once again and look at three TSX stocks to snatch up in this climate.

Why Canada housing is gaining momentum in late 2021

Experts, analysts, and policymakers have consistently warned that the Canada housing market has veered into dangerous territory in 2021. Despite this, demand for Canadian real estate has continued to soar. The Bank of Canada (BoC) has warned that coming rate hikes in 2022 could punish overleveraged citizens. This has also accelerated the rush to get into the red-hot housing market ahead of the expected rate hikes next year.

Earlier this month, I'd predicted that the Canada housing bull market would press on into 2022. Moreover, even rate hikes may not cool a market that is propped up by low supply, surging demand, and record immigration into Canada's major metropolitan areas. Investors should consider housing linked TSX stocks in this environment.

Here's a housing linked TSX stock that offers big monthly income

Atrium Mortgage (TSX:AI) is a Toronto-based company that provides financing solutions to real estate communities across Canada. Shares of this TSX stock have climbed 12% in 2021 as of early afternoon trading on November 26. The stock has dropped 2.4% month over month.

In Q3 2021, Atrium Mortgage saw its mortgage portfolio increase 2.7% year over year to $765 million. Net income jumped 11% from Q3 2020 to $10.6 million. Meanwhile, loan originations rose to $118 million on the back of 62% loan growth in Ontario and 38% in British Columbia.

Shares of this TSX stock possess a favourable price-to-earnings (P/E) ratio of 14. Moreover, it offers a monthly dividend of $0.075 per share. That represents a strong 6.3% yield.

Two more top TSX stocks that are key players in the housing space

Canadians may also want to snatch up TSX stocks like **Equitable Group** (TSX:EQB) and even top banks like **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) in this friendly Canada housing market. Shares of Equitable Group were down 2.7% in early afternoon trading on November 26. However, the stock is still up 50% in the year-to-date period. Meanwhile, CIBC stock was down 2% during today's trading session at the time of this writing. Its shares are up 35% in 2021.

Equitable Group posted its third quarter 2021 results on November 2. Net income was reported at $212 million for the first nine months of 2021 — up from $152 million in the prior year. This TSX stock last had a very attractive P/E ratio of 9.7. It still has room to run in this red-hot Canada housing market.

CIBC is set to release its final batch of 2021 results before markets open on December 2. Canadian banks have seen their loan portfolios balloon over the course of the real estate bull market. Shares of this TSX stock possess a favourable P/E ratio of 11. It offers a quarterly dividend of $1.46 per share, representing a solid 4% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:AI (Atrium Mortgage Investment Corporation)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:EQB (EQB)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. aocallaghan

2. kduncombe

Category

1. Investing

Date
2025/07/21
Date Created
2021/11/26
Author
aocallaghan