



3 Top Under-\$20 TSX Stocks to Buy With \$1,000

Description

Canadians with investment appetites but who are economizing have a wide selection of affordable TSX stocks. If you want to limit your cash outlay to \$1,000, you can invest in **Nexus** ([TSX:NXR.UN](#)), **Acadian Timber** ([TSX:ADN](#)), or **Pizza Pizza Royalty** ([TSX:PZA](#)).

The three [small-cap stocks](#) trade under \$20 but pay generous [dividends](#). Besides the price and high yield, your choice could depend on whether you want exposure to real estate, construction, or fast-food sectors. Thus far, in 2021, all of them have positive gains.

Top draw

Nexus is the top draw among real estate stocks this year. The \$694.26 real estate investment trust (REIT) outperforms the broader market at +73.65 versus +21.39%. It's also one of TSX's [successful IPOs in 2021](#), following its graduation from TSXV in January.

Would-be investors get real value for money, because, at only \$12.65 per share, the dividend yield is 5.16%. The competitive advantage of Nexus is that it's growth oriented with a focus on industrial real estate properties. It benefits from the e-commerce boom and should continue to deliver superior returns to shareholders.

Kelly Hanczyk, CEO of Nexus, said, 2021 is a fantastic year for the REIT. Management expects to close the year with \$663 worth of industrial acquisitions.

Leading timberland owner

Acadian Timber trades a little higher (\$18.24 per share) but pays the highest dividend (6.36%) compared with Nexus and Pizza Pizza. This timberland owner has about 2.4 million acres of land under management, and the properties are in eastern Canada and the northeastern United States.

The \$304.37 million company derives revenue from the sale of its core products (softwood lumber,

hardwood sawlogs, and biomass). While sales volume after three quarters in 2021 increased by only 1.4% versus the same period in 2020, net income rose 74.5% to \$11.8 million.

Adam Sheparski, Acadian Timber's president and CEO, said, "Steady prices and strong demand for our sawlogs have enabled us to generate solid operating and financial performance for the third quarter." For the rest of 2021, management expects demand for softwood, hardwood, and biomass to be strong and stable.

Slowly recovering

The global pandemic was harsh on the restaurant industry. Pizza Pizza Royalty owns and franchises quick-service restaurants under Canada's Pizza Pizza and Pizza 73 brands. The walk-in sales and customer traffic in restaurants in the royalty pool decreased significantly beginning in March 2020.

Fortunately, things are turning around this year. In Q3 2021, total system sales and royalty income rose 2.6% and 2.3% versus Q3 2020. Pizza Pizza posted growth, despite the smaller number of restaurants, 725 as against 749 last year. Paul Goddard, Pizza Pizza Limited's CEO, said, "We're pleased with the strong sales growth in our largest markets."

Notwithstanding the lingering effects of the pandemic, Pizza Pizza paid a total of \$12.4 million in dividends during the quarter. The resto stock trades at \$11.97 per share (+37.79% year to date), while the dividend is 6.02%. Lastly, the royalty corporation is one of the select few that pays monthly dividends.

Pick one or all

Nexus, Acadian Timber, and Pizza Pizza are pure dividend plays for income seekers. You can purchase shares of one or all even with only \$1,000, and the capital will compound over time if you keep reinvesting the dividends.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:NXR.UN (Nexus Real Estate Investment Trust)
3. TSX:PZA (Pizza Pizza Royalty Corp.)

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