



Canada Housing Market: 3 Top Stocks to Buy Right Now!

Description

According to a report from [wowa.ca](#), the average cost of a home in Canada rose 20% year over year to \$748,439 in January 2022, which is an all-time record. Further, the MLS Benchmark Price also increased by 23% to \$825,800 last month.

While investors are worried about the threat of multiple interest rate hikes this year, there are [several reasons](#) why prices of the Canadian housing market will continue to gain pace going forward.

We'll look at three TSX stocks you can buy right now that provide you exposure to Canada's housing market.

Equitable Group

Equitable Group (TSX:EQB) provides [personal and commercial banking](#) services to retail and commercial customers in Canada via its subsidiary, Equitable Bank. This stock has returned 533% to investors in dividend-adjusted gains since February 2012.

In 2021, total loan originations for the bank increased 39% year over year to \$42 billion. Further, it also increased its customer base by 44% to over 250,000 while maintaining a strong CET1 ratio of 13.3%. Its Q4 earnings rose by 12% to \$80.1 million while diluted earnings per share stood at \$2.29.

Despite its stellar gains, EQB stock continues to trade an attractive valuation. Its forecast to increase its adjusted earnings per share at an annual rate of 20% in the next five years and is trading at a forward price-to-2022-earnings multiple of just 8.5. Analysts expect EQB stock to rise by another 30% in the next 12 months, given consensus price target estimates.

Atrium Mortgage Investment

Atrium Mortgage Investment (TSX:AI) is a [small-cap](#) investment company valued at a market cap of \$613 million. It provides a range of financing solutions in Canada that includes mortgage loans for

residential, multi-residential, and commercial real estate properties.

In Q4 of 2021, its mortgage portfolio rose by 2.9% to \$767.1 million. Around 91.4% of its portfolio are first mortgages while 99.3% of its portfolio is less than 75% loan to value. Further, the average loan to value ratio stands at 60.9%.

Its net income in Q4 surged to a record \$41.8 million, which was an increase of 6.7% year over year. The stock is valued at a forward price-to-earnings multiple of 14, which is really attractive given it offers investors a dividend yield of 6.3%.

Bridgemarq Real Estate Services

The final stock on my list is **Bridgemarq Real Estate Services** ([TSX:BRE](#)) which is another small-cap company. It provides various services to real estate brokers in Canada and offers a suite of information and tools to assist its client base in the delivery of real estate services. It offers investors a tasty forward yield of 8.1%, making the stock extremely attractive to income-seeking investors.

The company reported sales of \$12.4 million in Q3, which was an increase of 16% year over year. It also reported net earnings of \$3.9 million compared to a loss of \$2.2 million in the year-ago quarter. Bridgemarq's improved profit margins were driven by an improvement in sales and a gain in the fair value of its exchangeable units.

Its distributable cash flow for Q3 stood at \$5.2 million, or \$0.41 per share, up from \$4.4 million, or \$0.35 per share, in Q3 of 2020.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:AI (Atrium Mortgage Investment Corporation)
2. TSX:BRE (Bridgemarq Real Estate Services Inc.)
3. TSX:EQB (EQB)

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