



2 Recovery Stocks to Buy That Pay Attractive Dividends

Description

For more than two years now, some of the best investments have been to buy stocks that are cheap after being impacted by the pandemic. Finding high-quality recovery stocks allows investors to buy top Canadian [growth stocks](#) while they are trading ultra-cheap in order to hold long term and realize all their potential.

For most of the pandemic, though, much of the focus from the market has been on well-known stocks like **Air Canada** or **Cineplex**. And while I think the latter could offer recovery potential over the coming quarters, there are other lesser-known recovery stocks to buy offering tonnes of growth potential and even some that pay dividends.

If you're looking to get the most bang for your buck and buy these stocks while they're still undervalued, here are two of the best recovery stocks to buy now.

A top Canadian restaurant stock with tonnes of long-term growth potential

Restaurant stocks were some of the hardest-hit businesses by the pandemic, and while many have had strong recoveries, some are still in the recovery process. So, while **Boston Pizza Royalties** ([TSX:BPF.UN](#)) has had a strong rally over the last year, it continues to offer recovery potential.

Heading into the summer last year, many of the pandemic restrictions were eased. And while some restrictions returned over the winter, several of these restaurant stocks, while not fully recovered, have seen their businesses make good progress, returning to pre-pandemic levels. That's why Boston Pizza is one of the best recovery stocks to buy now.

Over the last 12 months, the revenue Boston Pizza has brought in is still only about 77% of what it did in the 12 months through 2019 leading up to the pandemic.

Although the stock price has made an excellent recovery in addition to the distribution, both still have a

significant amount of recovery potential. Not to mention, that distribution Boston Pizza pays offers investors a current [yield](#) of roughly 5.9%, and it's still only paying out 74% of what it was prior to the pandemic.

So, the stock doesn't just offer significant capital gains potential as it recovers, but even its current 5.9% distribution still has a tonne of upside.

Plus, even after it's recovered, Boston Pizza offers investors tonnes of long-term growth potential. For years, Boston Pizza has been the number one casual restaurant dining chain in Canada.

While the stock is still cheap and offers so much opportunity for growth, it's certainly one of the top recovery stocks to buy now.

If you're bullish on travel, here's one of the best recovery stocks to buy now

With travel having been put on hold by many families and businesses over the last couple of years, it certainly makes a lot of sense that the industry, which was a top growth industry for years leading up to the pandemic, would see a strong recovery.

However, while many investors have been looking to buy airline stocks, buying a hotel operator could be an even better investment. That's why one of the best recovery stocks to buy that I'd recommend investors consider is **American Hotel Income Properties REIT (AHIP)**([TSX:HOT.UN](#)).

AHIP owns several premium-branded hotels across numerous states south of the border. These were severely impacted through the pandemic, and understandably so.

Lately, though, while many airline stocks have continued to struggle, AHIP has been seeing a strong recovery in demand for its rooms. In addition, the fund even reinitiated the distribution lately, showing that the REIT is clearly seeing strong signs of recovery.

So, while AHIP trades cheap, and while it offers an attractive yield of roughly 5.8%, there's no question that it's one of the best recovery stocks to buy now.

Travel is returning for leisure and business. In addition, as I mentioned before, the travel and tourism industry had been growing for years before the pandemic hit.

If you're looking for top recovery stocks that you can buy today and hold long term, American Hotel Income Properties REIT is one of the best on the market today.

CATEGORY

1. Investing

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1. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
2. TSX:HOT.UN (American Hotel Income Properties REIT LP)

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