3 Canada Housing Stocks I’m Buying on the Dip

Description

The Bank of Canada (BoC) issued a stunning 1% rate hike on Wednesday, July 13. That was above the expected 0.75% rate increase that experts had projected. Predictably, the red-hot Canada housing market has been put under tremendous pressure during this rate-tightening cycle. That said, it has still benefited from strong fundamentals in the supply and demand arena. Investors may have to stomach volatility in the near term, but I’m still looking to snatch up Canada housing stocks right now. Today, I want to look at three of my favourites.

This Canada housing stock offers value and huge dividends

Atrium Mortgage (TSX:AI) is a Toronto-based non-bank lender that provides financing solutions to the real estate communities around the country. Shares of this Canada housing stock have dropped 19% in 2022 as of early afternoon trading on July 13. The stock is down 22% in the year-over-year period.

This company unveiled its first-quarter 2022 earnings on May 11. Its mortgage portfolio delivered 3.2% growth to $791 million. Investors should also be encouraged by the quality of the loans in Atrium’s mortgage portfolio. Indeed, 98.3% of its portfolio boasts less than 75% loan to value.

Shares of this Canada housing stock possess a favourable price-to-earnings (P/E) ratio of 11. It last had an RSI of 38, putting it just outside technically oversold levels. Best of all, Atrium offers a monthly dividend of $0.075 per share. That represents a monster 7.9% yield.

Here’s another Canada housing stock that is an income beast

Bridgemarq Real Estate (TSX:BRE) is another Toronto-based company that provides various services to residential real estate brokers and REALTORS in Canada. This Canada housing stock has declined 22% in 2022. Its shares are down 25% in the year-over-year period.

Investors can expect to see its second-quarter 2022 earnings later this summer. In Q1 2022, Bridgemarq delivered revenue growth of 2% to $13.4 million. It posted distributable cash flow of $5.8

million, or $0.45 per fully diluted share — up from $5.6 million, or $0.44 per fully diluted share, in the previous year.

This Canada housing stock last had an attractive P/E ratio of 13. It possesses an RSI of 31, just outside oversold territory. Like Atrium, Bridgemarq offers investors a monthly distribution of $0.113 per share, which represents an enormous 10% yield.

Don't sleep on this top alternative lender in this correction

Equitable Group (TSX:EQB) is the third and final Canada housing stock I'd look to snatch up in the middle of July. This Toronto-based company is one of the largest alternative lenders in the country. The stock is down 22% in the year-over-year period.

This company posted record earnings in the first quarter of 2022, as Equitable Group continued to benefit from a surging Canada housing market. Adjusted earnings climbed 34% year over year to $92.4 million. Meanwhile, assets under management (AUM) jumped 18% to $43.4 billion. Investors should expect these numbers to soften as the housing market dips.

Shares of this Canada housing stock possess a very favourable P/E ratio of 5.9. It offers a quarterly dividend of $0.29 per share, representing a 2.1% yield.

CATEGORY

1. Investing

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

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