TFSA Investors: 2 of the Best Value Stocks to Buy in this Environment

Description

The TFSA is an incredibly underrated tool that allows Canadians to invest and save significant capital while taking advantage of compound interest. One of the best strategies to improve your long-term returns and the rate at which you're compounding your money is to buy stocks that offer attractive long-term value during uncertain times.

So if you've got cash to invest in your TFSA, here are two of the best long-term stocks you can buy in Canada that offer exceptional value today.

One of the best value stocks to buy in the real estate sector

There's no question that real estate stocks are some of the best investments to buy now due to the significant selloff and the strong fundamentals that continue to persist.

And of all the real estate stocks to consider, high-quality growth investments, such as **InterRent REIT** (TSX:IIP.UN), offer some of the best discounts.

Many growth stocks across a variety of sectors have sold off, as they've been impacted like their peers. They've also lost the significant growth premiums that they typically trade with. As a result, these high-growth stocks are currently offering excellent value for investors.

The Canadian housing market is certainly being impacted by the current environment. Despite this, there are plenty of signs indicating that demand will stay strong. Plus, InterRent's balance sheet is solid, and it continues to focus on its long-term growth strategy. While this stock is trading undervalued, it offers investors a compelling opportunity.

As of Friday's close, InterRent was trading at a forward price to funds from operations (P/FFO) ratio of just over 21 times. To demonstrate just how cheap that is, less than a year ago, the stock traded at a forward P/FFO ratio of more than 33 times.

Furthermore, the stock hasn't traded this cheaply since 2018. And over the last five years, its average forward P/FFO ratio was 26.4 times.

Therefore, while this exceptional growth stock trades at multi-year lows, it's easily one of the best value stocks to buy in this environment.

A top defensive growth stock

Another excellent growth stock, and one of the best value stocks to buy now after losing its growth premium is **GFL Environmental** (TSX:GFL)(NYSE:GFL).

GFL Environmental is a massive environmental services and waste management company. In fact, it's the fourth largest environmental services company in North America.

While its business doesn't sound all that exciting, it is quite defensive. The company has been rapidly growing by acquisition over the years, making it one of the best defensive growth stocks to buy now.

Many other defensive growth stocks have held on to their value throughout this year's selloff. So the fact that you can buy GFL at such a significant discount today creates an exciting opportunity.

Right now, GFL trades at a forward enterprise value (EV) to earnings before interest, taxes, depreciation, and amortization (EBITDA) ratio of just 11.8 times.

That's considerably cheap for a growth stock that operates in such a reliable and defensive industry. That's also well below where the stock has traded over the last 12 months. For example, in December of last year, GFL had an EV to EBITDA ratio of more than 15 times.

Therefore, while this exceptional business trades at such an attractive price, it's easily one of the best value stocks for Canadian investors to buy today.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:GFL (GFL Environmental)
2. TSX:GFL (GFL Environmental)
3. TSX:IIP.UN (InterRent Real Estate Investment Trust)

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1. Investing

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