



3 Simple TSX Stocks to Buy This Fall

Description

When investors buy stocks, the focus is often on the stock's price and how high it can grow. And while these are, of course, essential factors, investors should also be looking at what the company does. This is crucial, because one of the first prerequisites, before you buy any **TSX** stock, is to ensure that you understand how a company makes money.

Without fully understanding how a business operates, what its risks are, who its competitors are, and why it has growth potential, it's impossible to accurately gauge whether it's a stock worth an investment.

With that in mind, here are three of the best investments in Canada that are super-simple TSX stocks you can buy this fall.

Royalty companies are some of the simplest TSX stocks you can buy

If you're new to investing or just looking for super-simple TSX stocks to buy, **Pizza Pizza Royalty** ([TSX:PZA](#)) is one of the best to consider.

Royalty stocks are typically simple stocks, because they often have very few operations of their own. In Pizza Pizza's case, the stock earns a royalty on the level of sales that Pizza Pizza and Pizza 73 restaurants do across the country.

Therefore, while investors have to worry about how inflation may impact consumer spending, we don't necessarily have to worry about how it may impact its expenses or margins.

The most important numbers to investors each quarter are total system sales, royalty revenue, and same-store sales growth to see how the business is expanding.

Once Pizza Pizza receives this cash, it pays a small administration fee, taxes, and interest, and the rest of the capital flows to the bottom line, where nearly all of it gets paid back to investors through a dividend, which currently [yields](#) 6.3%.

Therefore, as long as Pizza Pizza can continue to grow its sales, it's one of the best and simplest TSX stocks you can buy.

One of the best TSX stocks to buy this fall

Another simple company and one of the best TSX stocks to buy in this environment is **Dollarama** ([TSX:DOL](#)). In general, [retail](#) companies are pretty easy to understand. And what's positive about Dollarama is that, unlike most other retailers, it's benefiting from higher inflation.

The company has to worry about increasing costs due to inflation. However, because it's a discount retailer, its sales are actually increasing significantly, as more Canadians look to save money on essential goods.

So far, in each of the last three quarters, Dollarama's sales have increased by at least 10% year over year. And in its most recent quarter, sales grew a whopping 18% year over year. In addition, over each of the last three quarters, its earnings per share have increased by at least 30% year over year.

Therefore, if you're looking for simple TSX stocks to buy now, Dollarama is an incredible long-term investment that can benefit from the current economic environment.

Real estate stocks make excellent long-term investments

Lastly, an industry that has tonnes of simple TSX stocks to buy is real estate. In particular, residential real estate stocks are some of the easiest to understand, such as **Morguard North American Residential REIT** ([TSX:MRG.UN](#)).

There are two major factors that drive the price of real estate investment trusts (REITs) higher or lower. The first and most important are its ability to generate and grow [net operating income](#) on its properties each year. In addition, the value of these properties increasing or decreasing can have a significant effect on the net asset value of the REIT and, therefore, its market price.

The revenue, net operating income, and cash flow that REITs earn are far more critical, though, because it's what the company can directly control. In addition, the cash flow that REITs generate allows these stocks to invest in new growth and expand their business rapidly.

In Morguard's case, the REIT is one of the best stocks to buy on the TSX for exactly that reason. So far in 2022, its same-property net operating income in its U.S. portfolio has increased by a whopping 17% year over year, and in Canada, it's up 5%.

If you're looking for simple and high-quality TSX stocks to buy now, Morguard and other REITs like it are excellent choices.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:DOL (Dollarama Inc.)
2. TSX:MRG.UN (Morguard North American Residential Real Estate Investment Trust)
3. TSX:PZA (Pizza Pizza Royalty Corp.)

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Date

2025/08/21

Date Created

2022/09/20

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