



1 Value Stock Every Canadian Investor Should Own

Description

Canadian investors looking for cheap stocks to own right now should understand the difference between a value stock and a cheap stock. A cheap stock can just mean a low share price. But a *value* stock means you're getting a huge deal on a strong stock.

Today, I'm going to cover one value stock every Canadian should have in their portfolio.

Granite REIT

Granite Real Estate Investment Trust ([TSX:GRT.UN](#)) is a strong choice if you're looking for a value stock. Granite stock is an industrial and warehouse property owner and has been around for decades. The company continues to grow its base not just through buildings and acquisitions. While other [real estate investment trusts](#) (REITs) may not be doing well, that's simply not the case for Granite.

That's what makes it such a positive value stock right now. Granite stock has not just a strong past, but a stable future. Industrial and warehouse properties are sorely needed, especially in large urban centres, to meet the ongoing supply-chain demands. That's set to only continue climbing in the years to come.

And yet, shares are far below where they should be as well as fundamentals. So, let's shift there next.

Fundamentally valuable

Granite stock is down 33% year to date, but it doesn't seem to be from anything the stock itself has done. Because of this, it's in value territory, trading at an incredible 4.1 times earnings. But there's even more that makes this stock [valuable](#).

Granite is also a value stock because it trades with a relative strength index (RSI) of 28.34, which puts it in oversold territory. Further, it would take just 48% of its equity to cover *all* of its debts. This makes it a safe and stable stock and one where you can lock in serious dividends, as well.

A valuable dividend stock

What makes Granite stock the best value stock out there right now has to be its dividend. It currently offers a 4.29% dividend yield that you can lock in at these incredibly cheap rates. To put that in perspective, let's say you purchased \$5,000 in Granite stock at its 52-week high of \$105 per share. That would have brought in \$148 in passive income per year.

But as of writing, if you were to invest that same \$5,000, you would bring in \$228 per share! That's \$80 more guaranteed income per year! What's more, Granite stock has been increasing its dividend for years. The company currently boasts a compound annual growth rate (CAGR) of 3.52% over the last five years. It also offers an 11.5% CAGR in share price over the last decade.

Foolish takeaway

Granite stock is a value stock that pretty much everyone could use in their portfolio. Industrial and warehouse spaces don't need much maintaining and are seriously needed now and in the future. Yet during this market downturn, Granite is trading for a steal. So, lock in this enormous dividend yield and share price while you can! Then see it grow for decades.

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1. Dividend Stocks
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1. TSX:GRT.UN (Granite Real Estate Investment Trust)

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