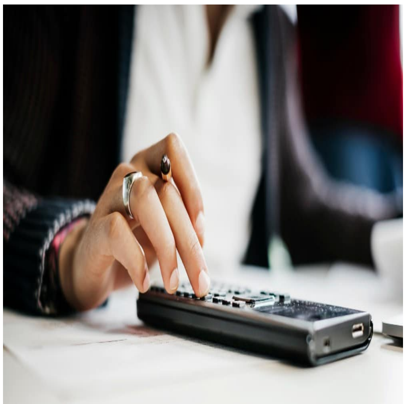

Sienna Senior Living Stock Looks Like a Steal in November 2022

### Description

Shares of **Sienna Senior Living** (TSX:SIA) have seen a sharp correction in the last few months. SIA stock has slipped by 16.3% in the last three months, underperforming the broader market. During the same period, the **TSX Composite Index** declined less than 1%. Before I explain why I find Sienna a great monthly dividend stock to buy in November 2022, let's take a closer look at some key factors that have driven it down lately.



## What's driving SIA stock downward in 2022?

If you don't know it already, Sienna is a seniors' living options provider with high-quality assets, including 80 seniors' living residences in British Columbia, Ontario, and Saskatchewan. Besides providing various living options, including long-term care, assisted living, and independent supportive living, at its 80 properties, the company also manages 13 third-party residences. Sienna Senior Living currently has a market cap of $837.2 million, as this Canadian monthly dividend stock trades at $11.43 per share after losing 24% of its value in 2022 so far. At the current market price, the stock has an attractive annual dividend yield of around 8.2%.

Several macroeconomic factors, like high inflation and rapidly rising interest rates, have made investors worried about a looming recession. In addition, growing geopolitical tensions have worsened the market turmoil this year. These are some of the key reasons why even many fundamentally strong dividend stocks across sectors have fallen sharply in the last months. Investors fear that high inflationary pressures are likely to trim Sienna's profitability in the near term, leading to a selloff in its stock lately. Now, let me explain why its stock could be worth buying on the dip right now.

## Is Sienna stock worth buying on the dip?

When a stock continues to fall for months, it might be because of its worsening financial growth trends. However, in Sienna's case, this principle doesn't fit, as its share prices have consistently been falling for the last four months, despite its improving financial growth trends in recent quarters.

Earlier this month, the Markham-based company revealed that average same-property occupancy for its retirement segment in the September quarter improved by 680 basis points from a year ago to 88.4%. And this occupancy continued to improve further to 88.6% in October. Similarly, its long-term-care segment adjusted occupancy improved to 96.7% in the third quarter, helping the company post a strong 11% year-over-year increase in its adjusted revenue. During the quarter, Sienna also managed to strengthen its financial position by reducing debt and increasing liquidity.

The company expects its net operating income to grow positively in the full-year 2022 due to recent occupancy improvements, an increase in rental rates, and its expanding asset base with the help of new acquisitions.

## Bottom line

Given all these positive developments, I find Sienna stock undervalued after its recent declines, making this amazing Canadian monthly dividend stock worth buying now to hold for the long term. While macroeconomic challenges like inflationary pressures and supply chain issues are likely to temporarily affect its development pipeline in the short term, its long-term financial growth outlook remains strong due mainly to its growing asset base and consistently surging demand for its services.



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