



3 Bargain Stocks for Building Wealth in Your TFSA

Description

If you want to build [long-term wealth](#), investing through your Tax-Free Savings Account (TFSA) needs to be a part of your formula. The TFSA is the only CRA (Canada Revenue Agency) [registered account](#) that offers tax-free advantages while you invest and when you withdraw from the account. That means *all* investment income earned stays with you.

As of January 1, 2023, Canadian investors will be able to add \$6,500 of new contributions to their TFSA. That will allow for the total contribution of \$88,000 for tax-free investing for those who were 18 or older upon its inception in 2009!

While you might need some patience and an iron stomach in these current markets, I have three bargain-priced stock picks that could be useful for building long-term TFSA wealth.

goeasy: A high-growth stock for a long-term TFSA

One TFSA stock that is interesting for [growth](#), income, and value is **goeasy** ([TSX:GSY](#)). Many people may not know this stock. However, over the past 10 years, it has delivered an astounding 1,339% total return! That is even after the stock has pulled back 41% in 2022.

goeasy is specialty lender that caters to the non-prime market. Many banks have exited this lending segment, so goeasy has been able to consolidate market share across Canada. Last quarter, it grew loan originations to a record \$641 million. Likewise, revenues and adjusted earnings per share grew by 19.3% and 9.3%, respectively.

At \$105 per share, this TFSA stock trades with a 3.5% dividend yield and a forward price-to-earnings (P/E) ratio of 7.9. Given the current uncertain economic environment, this stock is somewhat higher risk. However, it could have good upside if a recession is short-lived.

Granite REIT: Solid as a rock

Granite REIT ([TSX:GRT.UN](#)) may not be a high-growth stock like goeasy. However, if you want a solid, [dividend payer](#) with a track record of +10% annualized returns, this is a good bet for your TFSA. With a market cap of \$4.5 billion, Granite is Canada's largest public real estate investment trust (REIT) with a focus on industrial and logistics properties.

Granite stock is down 33% in 2022. Unfortunately, that masks the fact that the REIT has had an exceptional year. Its funds from operation (FFO) per unit should rise by over 10%. Granite's [high-quality portfolio](#) continues to benefit from trends like e-commerce, just-in-case inventory, and near-shoring.

Today, this TFSA stock trades at a 20% discount to its appraised market value. It has an attractive 4.5% dividend that it has consistently grown for 12 years. If you want a high-quality business at a cheap price, this is a great stock to hold for years in your TFSA.

Colliers International: A cheap compounder for any TFSA

If you can be patient with a long investment horizon, **Colliers International Group** ([TSX:CIGI](#)) is the perfect stock to buy and hold in a TFSA. Colliers is well known as one of the foremost commercial real estate brokerage firms in the world.

However, the company has recently branched out to become a [real estate](#) services leader in property management, commercial lending, consulting, project management, and asset management. Close to 60% of its revenues are recurring and its margin profile continues to rise.

Yet the market does not appear to recognize its quality. Despite compounding returns by over 15% a year for the past decade, this stock only trades for 12 times earnings and 10 times free cash flow. It has an excellent management team and a fast-growing investment platform. Patient TFSA investors should be well rewarded with time.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:CIGI (Colliers International Group)
2. TSX:GRT.UN (Granite Real Estate Investment Trust)
3. TSX:GSY (goeasy Ltd.)

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Date

2025/07/20

Date Created

2022/12/28

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