3 Heroic Stocks in the Middle That You're Probably Overlooking

Description

Every investor has some "go-to" stocks or stock categories they revert to when they can't find a good, new stock to invest in. For some, it's banking stocks, and for others, it's fast-growing tech companies, though the decision of a specific sector or industry may also be tied to what those investors understand the best.

For most conservative investors, large-cap stocks that are also industry leaders are typically the go-to choices. And even though it's a valid strategy, these investors may be missing out on some amazing options present in the mid-cap pool.

These are stocks that might be just as resilient and stable as large caps and may offer better return potential. And there are three such candidates that investors (even conservative ones) may consider adding to their default go-to pool.

A residential community management company

There are plenty of industrial leaders outside the large-cap stocks, and a great example would be **FirstService** (TSX:FSV). It's the largest real estate community manager in North America, with 8,600 communities (comprising 1.7 million individual units) in its portfolio.

And that's just half of its business. The other half is essential property services. It has seven well-known brands under its essential services banner.

The stock's growth has been just as phenomenal as the company's — at least up until Dec. 2021. It rose well over 600% between May 2015 and Dec. 2021 and has been in correction mode since hitting that peak. But the underlying strengths of the company are still there, and even though the valuation is not very attractive yet, the stock may be on the verge of starting a recovery journey.

A commercial real estate services company

Colliers International Group (TSX:CIGI) sits neatly near the middle of the mid-cap range with a market capitalization of about $5.29 billion.

The company offers commercial real estate services, including property management, landlord/tenant representation, and consultation services in 63 countries, making it far more international than FirstService. And since it's associated with a different industry, investing in both will not result in capital concentration in one industry.

The stock offers impressive growth potential, assuming it keeps growing at a similar pace as it has been so far. It grew over 366% in the last 10 years, though the pace slowed down considerably for the last five years. But if the stock offers similar returns in the next few decades, you may see exceptional growth within your portfolio — better than the average large-cap growth stocks might offer.

A storage space company

StorageVault Canada (TSX:SVI) is one of the largest companies in the Canadian storage space business and has several brands under its banner. This niche market and asset class usually fly under the radar, though that's no longer the case for the company and its stock.

In the last five years, the stock has risen over 122%. It also offers dividends, but like the other two stocks on this list, the yield is quite low. Its position in the storage space market makes it a resilient stock. And the only chink in its armour is currently the overvaluation. But its financials are amazing and growing at a steady pace.

Foolish takeaway

Even if you are not interested in these types of stocks, it's difficult to deny their exemplary performance in the past and the potential they hold for the future. A good approach would be to look into these stocks and try to understand the business to see whether these three deserve to be on the list of stocks you revert to when you don't have any fresh prospects for the capital on hand.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CIGI (Colliers International Group)
2. TSX:FSV (FirstService Corporation)
3. TSX:SVI (StorageVault Canada Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin

4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. adamothman
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/07/17
Date Created
2023/01/06
Author
adamothman