The Best of These 6 Stocks Selling for $6

Description

I'm going to up the ante from last month when I identified **Viemed Healthcare** as a top investment opportunity. The share price for this respiratory device company is starting to crawl back up to the $6 range. Let's bring on some contenders that are each trading equivalent to a few cups of coffee. Can any usurp this healthcare diamond in the rough?

Frozen shares

The second stock is **High Liner Foods** (TSX:HLF). This frozen-food company has a share price sliding on ice, downward unfortunately, since a peak in 2016. Savvy Fool contributor Mat Litalien warned this stock could be a value trap. But is all the bad news priced in to this stock? One trusty but awkward-to-explain value metric — known as EV/EBITDA — looks quite promising. The dividend has soared to 8% because the share price has fallen. A courageous income investor could snag High Liner knowing the dividend is covered by current free cash flow.

Infrastructure play

Bird Construction (TSX:BDT) is next on this list, trading for $6. It could be viewed as a most speculative play as the construction business is cyclical, feasting during times of economic expansion or infrastructure eras. In Nov. 2016 the company announced it was cutting the dividend by ~50%. This explains the fairly precipitous fall in share price to a multi-year low.

Although some investors might be nervous about Bird Construction, Fool contributor Will Ashworth is optimistic. He views current Bird Construction projects as a tailwind, including a deal with the Department of National Defense's Willow Park, where Bird Construction signs are "plastered everywhere."

$6 for real estate

Dream Unlimited (TSX:DRM), **Slate Office REIT** (TSX:SOT.UN), and **American Hotel Income Properties** (TSX:HOT.UN) are each trading in the $6 range. Here you will find arguably the most compelling lower-risk options.

Dream Unlimited seems to have unlimited vision, with pre-construction residential buildings literally dotting the landscape in Canada's largest city. This is not your usual real estate investment in the form of a REIT that is obligated to pay profits out in the form of dividends. Nope, Dream Unlimited is focused on developing properties, so there is no dividend. All cash is going into funding projects.

American Hotel is a fun way to collect a hefty dividend — currently north of 11%. Sharing some risks with Dream Unlimited, one of the first things to go during tough times is travel and tourism. Families tightening their belts hurts hotel business. The market may be pricing in lower revenues for this company, which owns U.S. hotels. It is very important to point out American Hotel operates in secondary markets, which is a deliberate strategy, to avoid the hustle and bustle of major cities. One the back of the stock tail spin, American Hotel is now *below* book value, which I think signifies the market's overreaction.

Slate Office is really interesting because this REIT consists of 43 commercial properties, from which it is able to pay a hefty yield. Free cash flow is rising steadily, doubling in the last 12 months. The volatility and sell-off this quarter have made this stock quite attractive.

Having run through this list, I believe there is one winner. Context: Canada's jobs reports continue to be positive. Ergo, Slate's properties will continue to house the workers employed by its corporate tenants. New property acquisitions will add to the Slate arsenal. Done! And let's be frank, it is hard to pass up an opportunity for a well-covered 10% dividend yield.

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1. TSX:BDT (Bird Construction Inc.)
2. TSX:HLF (High Liner Foods Incorporated)
3. TSX:HOT.UN (American Hotel Income Properties REIT LP)
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