



# Top 10 REITs

## March 2026 Edition

A monthly special report service from Sure Dividend

By Ben Reynolds, Quinn Mohammed, Nick Sismanis & Felix Martinez

Edited by Brad Beams

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## Top 10 REITs – March 2026

Name & Ticker	Price	Fair Value	Payout Ratio	Years Div. Growth	Div. Yield	Exp. Growth Return	Exp. Value Return	Exp. Total Return
<a href="#">Equinix (EQIX)</a>	\$955	\$995	49%	11	2.2%	9.0%	0.8%	11.8%
<a href="#">Terreno Realty (TRNO)</a>	\$64	\$62	74%	14	3.3%	8.0%	-0.5%	10.4%
<a href="#">SBA Communications (SBAC)</a>	\$196	\$211	41%	7	2.6%	6.0%	1.5%	10.0%
<a href="#">EastGroup Properties (EGP)</a>	\$192	\$171	65%	15	3.2%	8.0%	-2.3%	8.6%
<a href="#">NNN REIT (NNN)</a>	\$45	\$47	71%	36	5.3%	2.6%	1.0%	8.5%
<a href="#">First Industrial (FR)</a>	\$61	\$58	63%	14	3.3%	6.0%	-1.1%	7.9%
<a href="#">Equity LifeStyle (ELS)</a>	\$68	\$67	68%	22	3.2%	5.0%	-0.2%	7.7%
<a href="#">Rexford Industrial (REXR)</a>	\$37	\$48	73%	12	4.7%	7.0%	5.4%	16.0%
<a href="#">UDR (UDR)</a>	\$38	\$47	69%	15	4.6%	4.0%	4.5%	12.3%
<a href="#">Prologis (PLD)</a>	\$138	\$116	70%	11	3.1%	8.0%	-3.4%	7.4%

*Notes:* Data for the table above is from the 3/6/26 [Sure Analysis Research Database](#) spreadsheet. “Div.” stands for Dividend. “Exp.” stands for Expected. Expected returns are annualized and based on 5-year forward projections. Data in the table above may be different than individual company analysis pages due to writing the company reports throughout the previous several days.

**Disclosures:** None.

There were 6 changes in this month’s Top 10 versus last month’s Top 10.

NexPoint Residential (NXRT), American Homes 4 Rent (AMH), CubeSmart (CUBE), Universal Health (UHT), Agree Realty (ADC), and Realty Income (O) were replaced by Terreno Realty (TRNO), EastGroup Properties (EGP), First Industrial (FR), Equity LifeStyle (ELS), Rexford Industrial (REXR), and UDR (UDR).

The Top 10 has the following average characteristics:

	Top 10 REITs	S&P 500
<b>Dividend Yield:</b>	3.5%	1.2%
<b>Growth Rate:</b>	6.4%	5.5%
<b>Valuation Return:</b>	0.6%	-0.9%
<b>Expected Annual Total Returns:</b>	10.0%	5.7%

**Notes:** The S&P 500 expected annual total return calculation uses the average P/E ratio of the last 10 years for a fair value estimate. REITs have different tax consequences than stocks that trade as corporations. [Please see our REIT Tax Guide for more](#) information. Data for this edition is from 3/3/26 through 3/6/26.

## Equinix Inc. (EQIX)

**Dividend Yield:** 2.1%

**5-Year Expected Annual Total Returns:** 11.4%

### Overview & Current Events

Equinix is a REIT that specializes in data centers. The trust operates 280 data centers across 36 countries on 6 continents, serving over 10,500 customers. More than half of those data centers are owned outright by Equinix and generate 70% of its recurring revenue. Equinix was incorporated in 1998, converted to a REIT in 2015, and now has a market cap of \$96 billion.

On February 11<sup>th</sup>, 2026, Equinix reported its fourth-quarter 2025 results. Revenue rose 7% year-over-year to \$2.42 billion, marking 92 consecutive quarters of growth. Its adjusted funds from operations (AFFO) per share grew 13% to \$8.91.

Management provided its 2026 annual guidance and expects full-year revenue of \$10.12 billion to \$10.22 billion, AFFO of \$4.158 to \$4.238 billion, and AFFO per share to increase by about 10.5% at the midpoint. Equinix also increased its dividend by 10% to \$5.16 quarterly per share, its eleventh consecutive annual increase.

On February 27<sup>th</sup>, 2026, Equinix, along with CPP Investments, agreed to purchase atNorth, a Nordic high-density colocation and data center provider, from Partners Group. Equinix will own approximately 40% of atNorth, and CPP will own the remaining 60%.

### Safety & Dividend Risk Analysis

The main competitive advantage of Equinix is its global platform spanning 36 countries, which contain the industry's largest and most active ecosystem of partners in its data centers, creating a network effect that improves performance and lowers costs for customers. The trust has an S&P credit rating of BBB+ and a consolidated net-debt-to-adjusted-EBITDA ratio of 3.8x, which is within the 3x-4x range set by management.

Equinix was negatively affected by the Great Recession, as net income decreased nearly 50%, but the corporation paid no dividend at the time. It took until 2012 to surpass the net income levels seen in 2008. The COVID-19 pandemic had the opposite effect on Equinix compared to the Great Financial Crisis, as technology and data usage increased significantly amid lockdowns and remote work, effectively boosting adjusted funds from operations. Equinix has a conservative payout ratio of just 49% forecast for this year.

### Growth, Value & Expected Total Return Analysis

Equinix has grown its revenue for 23 years in a row and has grown its AFFO per share every year for over a decade. Over the past nine and five years, respectively, Equinix has grown its AFFO per share at average annual rates of 11% and 9%. The high growth rate, combined with its consistency, is a testament to Equinix's strong business model. We expect 9% average annual growth of AFFO per share over the next five years.

The REIT trades at 22.9 times projected AFFO per share, just below our fair value estimate of 23.5. This implies the potential for a 0.5% annualized valuation tailwind over the next five years. Given also the 2.1% dividend yield and expected 9.0% annual AFFO per share growth, we anticipate annualized total returns of 11.4% over the next five years.

## Terreno Realty Corp. (TRNO)

**Dividend Yield: 3.2%**

**5-Year Expected Annual Total Returns: 9.8%**

### Overview & Current Events

Terreno Realty Corp. specializes in acquiring, owning, and operating industrial real estate in key coastal markets across the United States, including Los Angeles, Northern New Jersey/New York City, San Francisco Bay Area, Seattle, Miami, and Washington, D.C. Its portfolio includes various types of industrial properties like warehouse/distribution, flex, transshipment, and improved land. Terreno owns 309 buildings totaling 19.8 million square feet, 46 improved land parcels covering about 147 acres, and six properties under development or redevelopment that will consist of nine buildings totaling 1.2 million square feet upon completion. Terreno is based in Bellevue, Washington and has a market cap of \$6.8 billion.

On February 4<sup>th</sup>, 2026, Terreno Realty announced Q4 and full-year results for the period ending December 31, 2025. Revenue rose 32.6% year-over-year to \$137.5 million from \$103.7 million, mainly driven by higher rental income, lease termination income, and acquisitions across its six coastal markets. Cash rents on new and renewed leases rose 29.8%, covering about 0.7 million square feet. Tenant retention was 67.9%, with portfolio occupancy at 96.1% and same-store occupancy at 97.2%.

Despite higher operating and interest costs, strong leasing spreads and property sale gains supported earnings growth. Terreno reported Q4 basic funds from operations (FFO) of \$0.83 per diluted share, up from \$0.62 a year earlier. Full-year 2025 FFO per share was \$2.77. We prudently project \$2.81 for this year.

### Safety & Dividend Risk Analysis

Terreno boasts a solid dividend track record, including 14 consecutive years of increases, backed by a well-located industrial portfolio in key coastal markets. With roughly 600 tenants and a 4.0-year average lease term, it offers good cash flow visibility and renewal potential. Today, the dividend payout ratio is about 74% of this year's expected FFO, in line with its historical norm, implying a balanced, sustainable approach. While no industrial REIT is recession-proof, we believe that Terreno's focus on high-demand, supply-constrained submarkets, and its redevelopment potential adds a layer of resilience that supports lasting dividend stability.

### Growth, Value & Expected Total Return Analysis

Terreno has delivered a 13.9% CAGR in FFO/share over the past decade, fueled by its sharp focus on supply-constrained industrial markets. By targeting submarkets with limited new development and aging inventory (often ripe for redevelopment), Terreno consistently captures rising rents and long-term value. We believe the REIT can sustain FFO/share growth of about 8% per year over the medium term.

TRNO trades for a price-to-FFO ratio of 23.3, which is slightly above our fair value ratio of 22.0. As a result, we see a 1.1% annualized drag from valuation multiple compression. Still, due to the 8.0% expected growth in FFO/share and the 3.2% dividend yield, we forecast annual total returns of 9.8% through 2031.

## **SBA Communications Corp. (SBAC)**

**Dividend Yield: 2.5%**

**5-Year Expected Annual Total Returns: 9.9%**

### **Overview & Current Events**

SBA Communications owns and operates wireless communications infrastructure, mainly consisting of tower structures that support antennas for wireless communication. SBA has over 46,000 tower sites leased to various wireless telecom providers. Additionally, SBA offers site-development services to assist telecom providers in building and maintaining their wireless networks. Headquartered in Boca Raton, Florida, the company is expected to generate \$2.8 billion in revenue this year and has a \$21 billion market capitalization.

On February 26<sup>th</sup>, 2026, SBA raised its dividend by 12.6% to a quarterly rate of \$1.25.

On the same day, SBA reported Q4 and full-year results for the period ending December 31, 2025. Site leasing revenues were \$666.2 million, up 3.1% year-over-year, while site development revenues rose 12.7% to \$53.4 million, bringing total revenues to \$719.6 million. Adjusted EBITDA declined 0.7% to \$486.0 million, and AFFO fell 9.2% to \$340.4 million. On a per-share basis, AFFO decreased 8.1% to \$3.19, primarily due to higher net cash interest expense, which increased 30.4% year-over-year.

During Q4, SBA acquired 2,026 communication sites for \$236.4 million and built 164 towers. Subsequent to quarter end, the company acquired land rights under about 3,900 sites in Guatemala for \$109.0 million and is under contract to purchase 48 additional sites for \$45.0 million. Management introduced SBA's initial FY 2026 outlook, guiding to site leasing revenues of \$2.625-\$2.650 billion and AFFO per share of \$11.84-\$12.29.

### **Safety & Dividend Risk Analysis**

We consider SBA's dividend safe based on its payout ratio of just 41% of expected FY 2026 AFFO. The company enjoys a distinct competitive advantage along with a handful of other tower REITs which have formed an oligopoly.

Unlike traditional real estate properties, whose tenants may struggle to pay rent during a potential recession, telecom companies have resilient revenue, while the essential and mission-critical nature of telecommunications ensures no adverse impact on SBA's performance. This was proven both during the Great Financial Crisis and the COVID-19 pandemic, when revenue continued to grow during both periods.

### **Growth, Value & Expected Total Return Analysis**

SBA has favorable qualities, including a highly scalable business model, a creditworthy tenant base of telecom majors as well as contractually secured and predictable revenue. SBA also regularly repurchases shares, which is unusual for a REIT. The share count has declined by 1.6% per year on average over the last nine years. Looking ahead, we expect SBA to generate 6.0% annualized growth of FFO per share.

SBA trades for a price-to-FFO ratio of 16.4, which is below our fair value ratio of 17.5. Therefore, we see a 4.4% annualized boost from a potential valuation multiple expansion. Along with the 6.0% expected growth of FFO per share and the 2.5% dividend yield, we forecast annual total returns of 9.9% through 2031.

# EastGroup Properties Inc. (EGP)

**Dividend Yield:** 3.2%

**5-Year Expected Annual Total Returns:** 8.2%

## Overview & Current Events

EastGroup Properties is an internally managed REIT with a 57-year history. The trust is a leading provider of multi-tenant distribution and logistics facilities primarily in Sunbelt markets, such as Florida, Texas, Arizona, California, and North Carolina. The REIT owns 551 industrial properties in 12 states, with no single tenant accounting for more than 1.5% of the total annualized base rent (ABR). EastGroup has a \$10.4 billion market cap.

On February 4<sup>th</sup>, 2026, EastGroup reported its Q4 and full-year 2025 results for the period ending December 31, 2025. For the quarter, revenues from real estate operations totaled \$187.4 million, up from \$163.8 million in the prior year period, driven by same-property growth, acquisitions, and recently delivered development projects.

Funds from operations (FFO) of \$124.8 million increased 15.4% year-over-year, or 8.8% per share to \$2.34. Excluding gains on involuntary conversion and business interruption claims, FFO per share was \$2.34 vs. \$2.15 in Q4 2024.

Management expressed confidence in the company's positioning heading into 2026, citing limited new supply, strong development leasing activity, and a well-capitalized balance sheet. The company provided initial 2026 FFO/share guidance in the range of \$9.40 to \$9.60.

## Safety & Dividend Risk Analysis

EastGroup boasts some of the highest quality attributes among its peers. These include high occupancy rates, excellent rental growth prospects amid favorable demographics, and relatively cheap financing, with an average cost of debt of around 3.43%. We believe the company displays a significant competitive advantage by specializing in the Sunbelt markets. Further, EastGroup has raised its dividend for 15 consecutive years and is offering a 3.2% dividend yield. Given its healthy payout ratio of 65% and consistent growth trajectory, we believe the REIT will continue raising its dividend for many years.

## Growth, Value & Expected Total Return Analysis

EastGroup boasts one of the most impressive performance records in the REIT sector. It benefits notably from an ever-rising demand for distribution centers amid e-commerce's growth and excellent demographic tailwinds. The REIT's properties are located in 13 of the 15 fastest-growing markets in the U.S. Its two largest states (by ABR), Texas (~34% of ABR) and Florida (~25% of ABR), are likely to see strong rental growth ahead amid their overall net increases in populations and income-tax-free statuses.

We expect 8.0% growth of FFO per share over the next five years. The REIT is trading at a price-to-FFO ratio of 20.6, which is above our assumed fair price-to-FFO of 18.0.

Valuation multiple compression could drag annual total returns by 2.6% over the next five years. Still, thanks to the 3.2% dividend yield and 8.0% growth rate, EastGroup could offer an 8.2% average annual return over the next five years.

## NNN REIT Inc. (NNN)

**Dividend Yield: 5.3%**

**5-Year Expected Annual Total Returns: 8.3%**

### Overview & Current Events

National Retail Properties is a triple net lease REIT with a market capitalization of \$8.6 billion that owns more than 1,000 single tenant retail properties across the United States. The REIT focuses on retail tenants, who are more likely to accept rent increases to avoid relocating and losing their customer base. NNN is also a Dividend Champion with 36 consecutive years of dividend increases.

On February 11<sup>th</sup>, 2026, NNN REIT posted its Q4 and full-year results for the period ending December 31, 2025. For the quarter, adjusted funds from operations (AFFO)/share grew to \$0.87 and core FFO/share also grew to \$0.87, both up 6.1% year-over-year. For FY 2025, AFFO/share was \$3.44 and core FFO/share \$3.41, both up 2.7%.

The REIT completed more than \$900 million in acquisitions in 2025 at a 7.4% average initial cap rate, the highest in its history. Portfolio occupancy improved to 98.3% at year end and annualized base rent rose nearly 8% year-over-year to \$928 million. NNN also repaid a \$400 million 4% note, and sustained Baa1 ratings and no floating rate debt.

Management guided 2026 AFFO per share to \$3.52 to \$3.58, implying 3.2% growth at the midpoint, and plans to fund roughly \$600 million in acquisitions through about \$210 million in free cash flow, \$130 million in dispositions, and incremental debt while keeping leverage stable.

### Safety & Dividend Risk Analysis

NNN REIT benefits from the triple-net lease model, where tenants pay property taxes, insurance, and maintenance, resulting in predictable income and reduced operating volatility. It owns about 3,700 U.S. properties with ~10-year average leases and ~99% occupancy, diversified across service-oriented and necessity retail tenants.

The REIT has shown resilience through economic cycles, increasing its dividend for 36 years while maintaining a ~70%-75% AFFO payout ratio, providing a buffer during downturns. Although FFO growth may slow in recessions, its stable lease structure and tenant mix have historically supported operations better than more cyclical retail real estate.

### Growth, Value & Expected Total Return Analysis

Over the past decade, NNN grew FFO per share at a CAGR of 4.2%, driven by prudent acquisitions of high-yielding, single-tenant retail properties. High occupancy and the triple-net lease structure kept capital expenditures low while supporting steady rent growth. Looking ahead, we see FFO per share to grow about 2.6% annually over the next five years, as investment spreads compress and the REIT's larger size makes acquisitions less impactful, but high occupancy should keep driving modest growth.

NNN trades at a P/FFO of 13.4 today, below our target multiple of 14.0. This indicates that the stock may be modestly undervalued. If NNN reaches this valuation target in the next five years, it could boost its annual returns by 0.8%. Along with the stock's dividend yield of 5.3%, we project an annual return of 8.3% through 2031 for NNN.

## First Industrial Realty Trust Inc. (FR)

**Dividend Yield:** 3.2%

**5-Year Expected Annual Total Returns:** 7.4%

### Overview & Current Events

First Industrial Realty Trust is a leading owner, operator, and developer of industrial real estate with a track record of providing industry-leading customer service to multinational corporations and regional customers. It has 872 tenants, and its top twenty tenants account for approximately 26% of its net rent. In total, the trust owns roughly 71.6 million square feet of industrial space and has an \$8.6 billion market cap.

On February 4<sup>th</sup>, 2026, the Trust announced results for the fourth quarter. The company reported funds from operations (FFO) grew 8.5% to \$0.77 per share from \$0.71, driven by solid leasing activity and higher rent. Same-store NOI rose 3.7% even though the trust's occupancy fell slightly to 94.4%. First Industrial signed 447K square feet of new leases in Q4.

Year-to-date 2026, First Industrial has begun development of two projects amounting to 305K square feet, and an estimated total investment of \$70 million.

Leadership initiated its 2026 FFO guidance at \$3.09 to \$3.19 per share, 5% to 6% same-store NOI growth, and average quarter-end occupancy of 94% to 95%.

On February 5<sup>th</sup>, 2026, First Industrial announced a 12% increase in its dividend, marking 14 consecutive years of dividend growth.

### Safety & Dividend Risk Analysis

First Industrial's recession performance has varied. FFO fell from \$2.08 per share in 2009 to \$(1.71) in 2010 during the Great Recession but rebounded to \$0.89 in 2011. In the COVID-19 pandemic, FFO grew 6% year-over-year, reaching \$1.84 per share in 2020.

First Industrial has an S&P credit rating of BBB, which is investment grade. The interest coverage ratio is 3.9, and the trust sports a debt-to-equity ratio of 0.9, which is considered very good for a healthy balance sheet. The REIT's dividend payout ratio of 63% based on 2026 FFO is considered secure. Furthermore, First Industrial has increased its dividend for 14 consecutive years, and this trend is likely to continue.

### Growth, Value & Expected Total Return Analysis

First Industrial Realty has a solid track record of FFO growth. It has recorded a 10-year FFO per share growth rate of 8.3% and a 5-year compound annual growth rate of 10%. Additionally, its dividend has grown by 12.2% over the past five years. First Industrial's primary growth opportunities lie in acquiring industrial properties and developing new facilities. We expect annual FFO per share growth of 6.0% over the next five years.

Based on forecast 2026 FFO per share of \$3.15, First Industrial stock trades for a price-to-FFO ratio of 19.9. This compares to its ten-year average P/FFO ratio of 22.3. We believe fair value for the stock is 18.5 times FFO. As a result, First Industrial is slightly overvalued. A contracting P/FFO multiple could reduce annual returns by 1.5% over the next five years. Still, expected FFO growth of 6.0% and the dividend yield of 3.2% could lead to total annual returns of 7.4%.

## Equity LifeStyle Properties Inc. (ELS)

**Dividend Yield:** 3.2%

**5-Year Expected Annual Total Returns:** 7.5%

### Overview & Current Events

Equity LifeStyle Properties is a REIT which engages in the ownership and operation of lifestyle-oriented properties consisting primarily of manufactured home and recreational vehicle communities. Equity LifeStyle Properties has two main business segments: Property Operations, and Home Sales and Rental Operations. Today, Equity LifeStyle Properties owns or has an interest in 453 properties in 35 states and British Columbia, comprising 173,355 sites. The REIT has a \$13.7 billion market cap.

On January 28<sup>th</sup>, 2026, Equity LifeStyle Properties reported fourth quarter financial results. It reported funds from operations (FFO) per share grew 2.4% to \$0.78 from \$0.76, and normalized FFO rose 4.2% to \$0.79 per share. Manufactured home (MH) base rental income increased 5.6%, and RV and marina base rental income edged up 0.1%.

Leadership initiated its 2026 guidance, expecting FFO and normalized FFO per share of \$3.21 to \$3.22. Furthermore, MH base rental income is anticipated to grow by 5.1% to 6.1% and RV and marina base rental income is likely to rise 2.4% to 3.4% for the full year.

On February 4<sup>th</sup>, 2026, Equity LifeStyle increased its quarterly dividend by 5.3% to \$0.5425 from \$0.5150, marking 22 years of dividend raises.

### Safety & Dividend Risk Analysis

Amidst the Great Recession, from 2007 through 2010, Equity LifeStyle performed very well. FFO increased by 5% from 2007 to 2008, followed by a further 12% growth in 2009, rising from \$0.76 per share at the beginning of the period to \$0.99 per share. During the COVID-19 pandemic, the trust saw similar results. In 2020, FFO grew 4% to \$2.17 per share. As a result of this strong performance during difficult times, we view Equity LifeStyle as a resilient, high-quality REIT. Furthermore, its 4.5x leverage ratio and 5.7x interest coverage ratio reflect a solid balance sheet.

Equity LifeStyle has increased its dividend for 22 years in a row. The dividend is well covered, with only 68% of FFO forecast to be paid out this year. Impressively, ELS has maintained a dividend payout ratio below 70% since 2005.

### Growth, Value & Expected Total Return Analysis

Over the past ten years, ELS has had an FFO per share compound annual growth rate of 7.0% and a five-year CAGR of 4.7%. Acquiring more properties and boosting core income from operations will support steady FFO growth in the future. We believe 5.0% annual FFO per share growth is a reasonable expectation over the next five years.

Equity LifeStyle currently trades at 21.5 times 2026 projected FFO per share of \$3.18. Our fair value estimate for this REIT is a P/FFO ratio of 21.0. Valuation multiple compression could reduce annual shareholder returns by -0.4%. In addition to the 3.2% dividend yield and 5.0% annual FFO per share growth, the REIT could produce annualized total returns of 7.5% over the next five years.

## **Rexford Industrial Realty Inc. (REXR)**

**Dividend Yield: 4.7%**

**5-Year Expected Annual Total Returns: 15.8%**

### **Overview & Current Events**

Rexford Industrial Realty is a REIT that operates and redevelops industrial properties throughout infill Southern California. The REIT was founded in 2001, became public in 2014 and now has 419 properties with a total rentable area of 51 million square feet. It has a market capitalization of \$8.9 billion.

Rexford Industrial enjoys strong business tailwinds thanks to its exclusive focus on infill Southern California, which is the fourth largest industrial market in the world and the largest industrial market in the U.S. This region has a GDP of \$1.8 trillion, making it the 11<sup>th</sup> largest in the world. It is characterized by an extremely low vacancy rate of less than 3.0%, along with markedly high demand and a low supply of new properties.

On February 4<sup>th</sup>, 2026, Rexford Industrial reported fourth quarter results for 2025. Same-property portfolio net operating income rose 0.4% over the prior year's quarter. Core funds from operations (FFO) per share grew 1.7%, from \$0.58 to \$0.59, in line with analysts' estimates. Management initiated its guidance for 2026, and expects FFO per share of \$2.35 to \$2.40, which represents a 1% decrease over last year at the midpoint.

Rexford's dividend was also increased by 1.2% to \$0.435, its twelfth straight year of raises. Year-to-date, the trust sold two properties for \$41.2 million. In February, Rexford repurchased 2.67 million of its shares for \$100 million.

### **Safety & Dividend Risk Analysis**

Rexford Industrial is offering a 4.7% dividend yield. Impressively, the REIT has grown its dividend by 13.7% per year on average over the last decade.

It also has one of the strongest balance sheets in the REIT sector, with an interest coverage ratio of 3.5x and net debt of \$3.4 billion versus a market cap of \$8.9 billion. In contrast to most REITs, which are burdened by high interest expense from elevated interest rates, Rexford Industrial enjoys a low interest expense.

Thanks to its pristine balance sheet and its reliable growth trajectory, Rexford Industrial is likely to keep raising its dividend for many more years.

### **Growth, Value & Expected Total Return Analysis**

Rexford Industrial greatly benefits from operating in infill Southern California, the largest industrial market in the U.S., which is characterized by strong demand and low supply of new properties and has one of the lowest vacancy rates in the country (3.6% vs. an average of 5.5%). The REIT has grown its FFO per share by 11.8% per year on average over the last decade, therefore it is one of the highest-growth REITs.

The stock is trading at a price-to-FFO ratio of 15.6, below our fair value estimate of 20.0. This valuation gap presents an opportunity for a 5.3% annualized valuation tailwind over the next five years. Given also 7.0% expected growth of FFO per share and the 4.7% dividend, the REIT could offer a 15.8% total annual return over the next five years.

## **UDR Inc. (UDR)**

**Dividend Yield:** 4.6%

**5-Year Expected Annual Total Returns:** 12.4%

### **Overview & Current Events**

UDR, also known as United Dominion Realty Trust, is a luxury apartment REIT. It owns, operates, acquires, renovates, and develops multifamily apartment communities in high barrier-to-entry markets in the U.S. A high barrier-to-entry market consists of limited land for new construction, complicated entitlement processes, low single-family home affordability and strong employment growth potential. The majority of UDR's real estate property value is in Washington, D.C., New York City, and San Francisco, as well as in Orange County, California. UDR was formed in 1972 as a Virginia corporation, and today is headquartered in Denver, Colorado. The trust employs approximately 1,400 full-time associates and owns or has an ownership interest in 60,941 apartment homes.

On February 9<sup>th</sup>, 2026, UDR reported its fourth quarter results. Physical occupancy improved from 96.8% in the prior year's quarter to 96.9% and adjusted funds from operations (AFFO) per share grew 2% to \$0.64.

On the same day, UDR's dividend for the year was announced at \$1.74, marking the company's 15<sup>th</sup> consecutive annual dividend increase.

### **Safety & Dividend Risk Analysis**

UDR is offering a nearly 10-year-high dividend yield of 4.6%, which is covered with a solid payout ratio of 69%. The trust has raised its dividend for 15 consecutive years and has a distinct competitive advantage, as it implements advanced technological solutions to the apartment rental business. UDR also proved fairly resilient to the recession caused by the pandemic in 2020, as its AFFO per share dipped only 3% in 2020 and 2% in 2021. However, investors should be aware that UDR has a somewhat weak balance sheet, with a leverage ratio (Net Debt to EBITDA) of 5.5x and a BBB+ credit rating from S&P. Overall, the dividend appears safe in the absence of a recession, but the weak balance sheet is likely to put the dividend at risk in the event of a severe downturn.

### **Growth, Value & Expected Total Return Analysis**

UDR has grown its AFFO per share consistently over the last five and nine years, at an average annual rate of 3.6% and 3.5%, respectively. Management aims to generate 10% to 15% NOI growth above that of the market over the first three years of ownership following its acquisitions of properties. Going forward, we expect 4% average annual growth of AFFO per share over the next five years, roughly in line with the trust's historical growth rate.

Based on our expected 2026 AFFO per share of \$2.52, the REIT is trading for a price-to-AFFO ratio (P/AFFO) of 14.9, which is lower than our fair value P/AFFO estimate of 18.5. As a result, we expect valuation multiple expansion to boost annual returns by 4.6% over the next five years. Given also the 4.6% dividend and 4.0% expected growth of AFFO per share, we anticipate total returns of 12.4% per year over the next five years.

## Prologis Inc. (PLD)

**Dividend Yield: 3.1%**

**5-Year Expected Annual Total Returns: 7.4%**

### Overview & Current Events

Prologis is the largest industrial U.S. REIT by far, owning about 1.3 billion square feet of real estate in 20 countries. For context, the second-largest U.S. industrial REIT is Public Storage (PSA), with a market cap of about \$54 billion versus \$131 billion for Prologis.

On January 21<sup>st</sup>, 2026, Prologis posted its Q4 and full-year results. For the quarter, total revenue increased by 2.4% year-over-year to \$2.25 billion. Core funds from operations (FFO) per share declined by 4.0% year-over-year to \$1.44. Interest expense rose by 12.2% to \$260 million, driven primarily by higher average debt balances. Despite higher interest expense, we don't view Prologis as overindebted. The weighted-average term of its debt is 8.2 years. The company maintained solid activity with 43.8 million sq. ft. of lease commitments.

For the year, Core FFO per share increased 4.5% year-over-year to \$5.86. Total revenue grew 7.2% to \$8.79 billion.

Prologis introduced its FY 2026 Core FFO per share guidance to a range of \$6.00 to \$6.20. We have utilized the midpoint in our estimates, which implies a year-over-year growth rate of about 5%.

On February 12<sup>th</sup>, 2026, Prologis announced a 5.9% dividend increase, boosting the quarterly dividend from \$1.01 to \$1.07 per share.

### Safety & Dividend Risk Analysis

Prologis has a high 95% occupancy rate and has grown FFO per share every year of the last decade (including the difficult 2020 period), except for 2024 (a small 0.9% decline). Management's outlook points to further growth, and its payout ratio, at 70%, supports ongoing dividend hikes in line with decent FFO per share growth.

Although interest rates remain high, Prologis' healthy financials and status as the largest industrial U.S. REIT allows it to maintain competitive borrowing rates, with its weighted-average borrowing rate standing at 3.3% at the end of last year. This advantage bolsters Prologis' dividend stability, even in challenging environments for REITs.

### Growth, Value & Expected Total Return Analysis

Over the past five years, Prologis has achieved a CAGR of 8.0% in FFO per share due to its successful acquisition strategy and development of logistics properties at prime locations. Looking ahead, we expect that Prologis can generate FFO per share growth of 8% through 2030, leveraging its unique ability to realize substantial economies of scale.

Prologis trades at 22.6 times projected FFO per share of \$6.10 in Fiscal 2026. Our fair value estimate for this REIT is a P/FFO ratio of 19.0. This implies the potential for valuation compression, which could reduce annual shareholder returns by 3.4%. Prologis' 3.1% starting dividend yield, expected 8.0% annual FFO per share growth, and 3.4% valuation-multiple compression give the REIT expected annualized total returns of 7.4% over the next five years.

## Ranking Procedure

The method we use to compute the rankings for the Top 10 REITs is as follows:

**Note:** Rankings are done using [\*Sure Analysis Research Database\*](#) data. We typically create our rankings using data from the Wednesday before the special report publishes.

1. Exclude all non-REITs.
2. Exclude all international REITs.
3. Exclude all REITs with less than five years of consecutive dividend increase.
4. Sort by Dividend Risk Score, highest to lowest.
5. Filter for expected total returns above that of the S&P 500.
6. Sort each Dividend Risk Score group by expected total return, from highest to lowest.
7. Manually review each REIT for safety. The review process looks at dividend history, payout ratio, and qualitative factors.

Our expected total returns are calculated in the [\*Sure Analysis Research Database\*](#). They are based on expected returns over the next five years. Our expected total returns take into account dividends, growth, and valuation returns.

We compare all 920+ securities in *Sure Analysis* – including ~100 REITs – to one another using the same expected total return framework. This means we can compare the REITs in our database to one another on an “apples-to-apples” basis. This is necessary to create the rankings in the Top 10 REITs service.

Note that our expected total returns are based on the idea that the economy will continue forward “as is” for the foreseeable future, and not encounter a recession. Recessions happen, of course, and we seek to recommend securities likely to pay steady or rising dividends during recessions.

COVID-19 was especially hard on REITs in general. As a result, 2020 and 2021 represent excellent “test years” to show the dividend safety of REITs even in an extremely difficult operating environment. Avoiding REITs that reduced their dividends in 2020 or 2021 serves as a helpful screen in identifying REITs likely to pay steady or rising dividends into the future.

The goal of our Top 10 REITs service is to find REITs that have solid dividend yields, provide reasonable safety, the likelihood of steady or rising dividends in the future, and that offer solid expected total returns ahead. We believe the ranking procedure outlined above combined with our extensive research done in the *Sure Analysis Research Database* identifies securities very likely to match these characteristics going forward.

## REIT Tax Guide

The organizational form of a company is important for tax purposes because it determines how efficiently a company can return money to investors. An example is below.

**Example:** Imagine a company makes \$10, pre-tax, and distributes 100% to investors. The image below shows how much of the \$10 would go to investors using standard assumptions if the \$10 was earned and distributed by a corporation versus a REIT:

**Note:** The table below assumes that 70% of REIT payments are ordinary income; and capital gains and return of capital each make up 15% of REIT payments.

Corporation		REIT	
Pre-Tax Income	\$10.00	Distributable Cash	\$10.00
Corporate Income Tax	-\$2.10	<b>After-Tax Funds From Operations</b>	<b>\$10.00</b>
<b>After-Tax Income</b>	<b>\$7.90</b>	Ordinary Income Tax @37%	-\$2.07
Qualified Dividend Tax	-\$1.58	Capital Gains Tax @20%	-\$0.30
<b>Dividend After Tax</b>	<b>\$6.32</b>	Return of Capital Tax @20%	-\$0.30
		<b>Distribution After Taxes</b>	<b>\$7.33</b>

Note that REITs avoid double taxation because they *are not taxed at the organization level*. REITs are in between MLPs and Corporations in terms of both complexity and tax advantages. REITs are required to pay out 90%+ of their income.

REITs are organized as trusts. As a result, “shareholders” are actually unit holders.

REITs issue 1099 forms (just like corporations) instead of K-1 forms (like MLPs do). Unit holders technically receive distributions, not dividends (just like MLPs). REIT distributions fall into three categories: ordinary income, return of capital, and capital gains.

Ordinary income is taxed at your ordinary income tax rate; up to 37%. Note: these distributions may benefit from a 20% deduction in qualified business income. Return of capital reduces your *cost basis* (your purchase price for the security, which increases capital gains tax when you sell). Capital gains are taxed at either short-term or long-term capital gains rates.

The percentage of distributions from these three sources varies by REIT. In general, ordinary income tends to be the majority of the distribution. Expect around 70% of distributions as ordinary income, 15% as a return of capital, and 15% as capital gains.

REITs are best suited for retirement accounts because the majority of their payments are taxed as ordinary income. Retirement accounts remove this negative and make REITs very tax advantageous. This doesn’t mean you should never own a REIT in a taxable account. A good investment is a good investment, regardless of tax issues. But if you have the choice, REITs should be placed in a retirement account such as an IRA or 401k.

## List of REITs By Expected Total Returns

Each of the REITs in the *Sure Analysis Research Database* are sorted below (from highest to lowest) by expected 5-year total returns using data from the [Sure Analysis Research Database](#). Dividend yield is included next to each REIT's ticker symbol.

Click on the name of any REIT below to go to that REIT's *Sure Analysis* page (if you are a member of the [Sure Analysis Research Database](#)).

- |  |  |
|--|--|
| 1. Ellington Credit Co. (EARN): 19.8%                  | 39. STAG Industrial Inc (STAG): 3.9%                   |
| 2. Marriott Vacations Worldwide Corp. (VAC): 4.7%      | 40. NNN REIT Inc (NNN): 5.3%                           |
| 3. NexPoint Residential Trust Inc (NXRT): 7.6%         | 41. EPR Properties (EPR): 6.2%                         |
| 4. Community Healthcare Trust Inc (CHCT): 11.1%        | 42. Dynex Capital, Inc. (DX): 14.9%                    |
| 5. Rexford Industrial Realty Inc (REXR): 4.7%          | 43. EastGroup Properties, Inc. (EGP): 3.2%             |
| 6. American Assets Trust Inc (AAT): 6.8%               | 44. Universal Health Realty Income Trust (UHT): 6.8%   |
| 7. Innovative Industrial Properties Inc (IIPR): 13.4%  | 45. Getty Realty Corp. (GTY): 5.8%                     |
| 8. American Homes 4 Rent (AMH): 4%                     | 46. Urban Edge Properties (UE): 4%                     |
| 9. Allied Properties Real Estate (APYRF): 7.5%         | 47. Bridgemarq Real Estate Services Inc. (BREUF): 9.5% |
| 10. VICI Properties Inc (VICI): 6%                     | 48. Canadian Net Real Estate Investment (CNNRF): 5.6%  |
| 11. UMH Properties Inc (UMH): 6%                       | 49. Equity Lifestyle Properties Inc. (ELS): 3.2%       |
| 12. American Tower Corp. (AMT): 3.6%                   | 50. CT Real Estate Investment Trust (CTRRF): 5.6%      |
| 13. UDR Inc (UDR): 4.6%                                | 51. LTC Properties, Inc. (LTC): 5.9%                   |
| 14. Orchid Island Capital Inc (ORC): 19.5%             | 52. First Industrial Realty Trust, Inc. (FR): 3.2%     |
| 15. Gladstone Commercial Corp (GOOD): 9.6%             | 53. Essex Property Trust, Inc. (ESS): 4%               |
| 16. Canadian Apartment Properties Real (CDPYF): 4.1%   | 54. Brixmor Property Group Inc (BRX): 4%               |
| 17. Healthpeak Properties Inc. (DOC): 6.9%             | 55. Prologis Inc (PLD): 2.9%                           |
| 18. GO Residential Real Estate (GONYF): 6.5%           | 56. Camden Property Trust (CPT): 3.9%                  |
| 19. Equinix Inc (EQIX): 2.1%                           | 57. Sun Communities, Inc. (SUI): 3.1%                  |
| 20. BSR Real Estate Investment Trust (BSRTF): 4.4%     | 58. CareTrust REIT Inc (CTRE): 3.4%                    |
| 21. LXP Industrial Trust (LXP): 5.7%                   | 59. Kite Realty Group Trust (KRG): 4.5%                |
| 22. National Storage Affiliates Trust (NSA): 6.7%      | 60. Agree Realty Corp. (ADC): 3.8%                     |
| 23. ARMOUR Residential REIT Inc (ARR): 16.2%           | 61. AGNC Investment Corp (AGNC): 13.1%                 |
| 24. SL Green Realty Corp. (SLG): 7.6%                  | 62. Realty Income Corp. (O): 4.9%                      |
| 25. True North Commercial REIT (TUERF): 8%             | 63. Crombie Real Estate Investment (CROMF): 5.5%       |
| 26. CubeSmart (CUBE): 5.2%                             | 64. BTB Real Estate Investment Trust (BTBIF): 7.3%     |
| 27. AvalonBay Communities Inc. (AVB): 4%               | 65. Whitestone REIT (WSR): 3.8%                        |
| 28. Mid-America Apartment Communities (MAA): 4.6%      | 66. Killam Apartment REIT (KMMPF): 4.3%                |
| 29. Gaming and Leisure Properties Inc (GLPI): 6.3%     | 67. Kimco Realty Corporation (KIM): 4.4%               |
| 30. Four Corners Property Trust Inc (FCPT): 5.6%       | 68. Pro Real Estate Investment Trust (PRVFF): 7.9%     |
| 31. Equity Residential Properties Trust (EQR): 4.4%    | 69. RioCan Real Estate Investment Trust (RIOCF): 5.8%  |
| 32. Alpine Income Property Trust Inc (PINE): 6.1%      | 70. COPT Defense Properties (CDP): 3.9%                |
| 33. SBA Communications Corp (SBAC): 2.6%               | 71. Netstreet Corp (NTST): 4.2%                        |
| 34. Terreno Realty Corp (TRNO): 3.2%                   | 72. Modiv Industrial Inc (MDV): 7.7%                   |
| 35. Invitation Homes Inc (INVH): 4.5%                  | 73. W. P. Carey Inc (WPC): 5%                          |
| 36. Dream Office Real Estate Investment (DRETF): 5.7%  | 74. Regency Centers Corporation (REG): 3.8%            |
| 37. Essential Properties Realty Trust Inc (EPRT): 3.6% | 75. Northview Residential REIT (NRRUF): 7%             |
| 38. Apple Hospitality REIT, Inc. (APLE): 7.7%          | 76. Firm Capital Property Trust (FRMUF): 8.3%          |

77. Dream Industrial Real Estate (DREUF): 5.4%
78. SmartCentres Real Estate Investment (CWYUF): 6.8%
79. Automotive Properties Real Estate (APPTF): 7%
80. Tanger Inc. (SKT): 3.1%
81. Acadia Realty Trust (AKR): 3.8%
82. Flagship Communities Real Estate (MHCUF): 3.3%
83. Postal Realty Trust Inc (PSTL): 4.8%
84. Choice Properties Real Estate (PPRQF): 5%
85. Granite Real Estate Investment Trust (GRP.UN): 3.7%
86. Slate Grocery REIT (SRRTF): 7.4%
87. Boardwalk Real Estate Investment (BOWFF): 2.4%
88. SmartStop Self Storage REIT, Inc. (SMA): 4.9%
89. Nexus Industrial REIT (EFRTF): 7.9%
90. Morguard North American (MNARF): 4.2%
91. Simon Property Group, Inc. (SPG): 4.3%
92. Federal Realty Investment Trust. (FRT): 4.1%
93. InvenTrust Properties Corp. (IVT): 3.1%
94. Lamar Advertising Co (LAMR): 4.6%
95. First Capital Real Estate Investment (FCXXF): 4.2%
96. Plaza Retail REIT (PAZRF): 6.2%
97. Iron Mountain Inc. (IRM): 3.2%
98. Phillips Edison & Company Inc (PECO): 3.3%
99. National Healthcare Corp. (NHC): 1.5%
100. Minto Apartment REIT (MIAPF): 3%
101. NorthWest Healthcare Properties Real (NWHUF): 6%
102. Gladstone Land Corp (LAND): 4.7%
103. Morguard Real Estate Investment (MGRUF): 3.8%
104. H&R Real Estate Investment Trust (HRUFF): 5.8%
105. Chartwell Retirement Residences (CWSRF): 2.7%
106. Artis Real Estate Investment Trust (ARESF): 0%

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## Disclaimer

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Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this special report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in securities. Past performance is not a guarantee of future performance.