Simon Property Group (SPG)

Updated November 5th, 2025 by Nikolaos Sismanis

Key Metrics

Current Price:	$183	**5 Year Annual Expected Total Return:**	5.5%	**Market Cap:**	$68.9 B
Fair Value Price:	$164	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	12/10/25
% Fair Value:	111%	**5 Year Valuation Multiple Estimate:**	2.1%	**Dividend Payment Date:**	12/31/25
Dividend Yield:	4.8%	**5 Year Price Target**	$191	**Years of Dividend Growth:**	5
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Simon Property Group is a real estate investment trust (REIT) that was formed in 1993. It focuses on retail properties, mainly in the U.S., with the goal of being the premier destination for high-end retailers and their customers. The trust has interests in 233 income-producing properties comprising roughly 184 million square feet in North America, Asia, and Europe. Simon also owns an 88% interest in the Taubman Realty Group, which has an interest in outlet malls in the U.S. and Asia. Simon produces about $5.94 billion in annual revenue and has a market cap of $68.9 billion. It also has a 22.4% interest in Klépierre, a publicly traded, Paris-based REIT that owns shopping centers in 14 European countries.

On November 3rd, 2025, Simon raised its dividend by 4.8% to a quarterly rate of $2.20.

On the same day, Simon reported its Q3 results for the period ending September 30th, 2025. For the quarter, total revenues were $1.60 billion, 8.2% higher than the comparable period last year. Higher revenues were powered by healthy demand across the portfolio, strong retailer sales, and continued occupancy gains.

Specifically, portfolio NOI, which includes domestic properties, international properties, and Simon's investment in Taubman Realty Group, increased by 5.2% compared to the prior year. Further, occupancy stood at 96.4% compared with 96.2% in Q3-2024. FFO/share rose by $0.41 to $3.25. Real Estate FFO/share grew to $3.22. For fiscal year 2025, management now expects FFO/share to be between $12.60 and $12.70 (up from $12.45 to $12.65 previously). We have utilized the midpoint of this range in our estimates.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
FFO/Shr	$9.86	$10.49	$11.21	$12.13	$12.37	$9.11	$11.94	$11.95	$12.51	$12.99	***$12.65***	***$14.66***
DPS	$6.05	$6.50	$7.15	$7.90	$8.30	$6.00	$5.85	$6.90	$7.45	$8.10	***$8.80***	***$10.20***
Shares[1]	309.0	313.0	311.0	309.0	306.0	308.7	328.5	327.8	326.8	326.1	***326.5***	***330.0***

Simon's FFO history has been quite resilient, seeing only a minor dip in profitability during the Great Recession and the COVID-19 pandemic. Simon's focus on high-end retailing has proven an immense source of strength in recent years, and we see that steady performance continuing. However, given Simon's already dominant position in the retail sector, the seemingly unstoppable rise of e-commerce crimping demand for physical stores, and how mature the current economic cycle is, it looks like Simon and other retail REITs will have a harder time with future FFO growth. That said, Simon is still the best retail REIT in the market by many metrics. Its occupancy rates remain high, while at the end of Q3-2025 it had a base minimum rent of $59.14 per square foot on average (up 2.5% YoY), which is tremendously high for the retail space. Simon has built a niche with high-end retailers over the years such that it has highly desirable spaces and developments and thus sees a virtuous combination of high occupancy and leasing rates. Its recent investment in Taubman seems to be stabilizing as well, with the company likely able to unlock operational efficiencies going forward. Simon was forced to cut its dividend at the start of 2020 to withstand its weaker performance caused by the pandemic, though management has raised it nine times since then (5 years). We continue to expect FFO/share and DPS growth of 3% going forward,

[1] In millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

reflecting the REIT's potential for growth in its square feet and lease rates while still remaining prudent against a shaky macro environment filled with uncertainty, especially around interest rates.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/FFO	19.1	19.2	15.1	13.9	11.9	8.8	11.6	9.9	8.7	18.9	***14.4***	***13.0***
Avg. Yld.	3.2%	3.2%	4.2%	4.7%	5.6%	6.5%	4.3%	5.8%	6.9%	3.3%	***4.8%***	***5.4%***

Simon's historical average valuation of 13.7x FFO indicates that the current projected valuation of 14.4 FFO for FY2025 may slightly overvalue the stock. Given today's still-high interest rates investors ought to demand a heftier equity risk premium, despite Simon's admittedly strong results. Simon's current yield of 4.8% is in line to its past-decade average, but at a period of above-average rates, which is why we believe the yield ought to be higher today.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	61%	62%	64%	65%	67%	66%	49%	58%	60%	62%	***70%***	***70%***

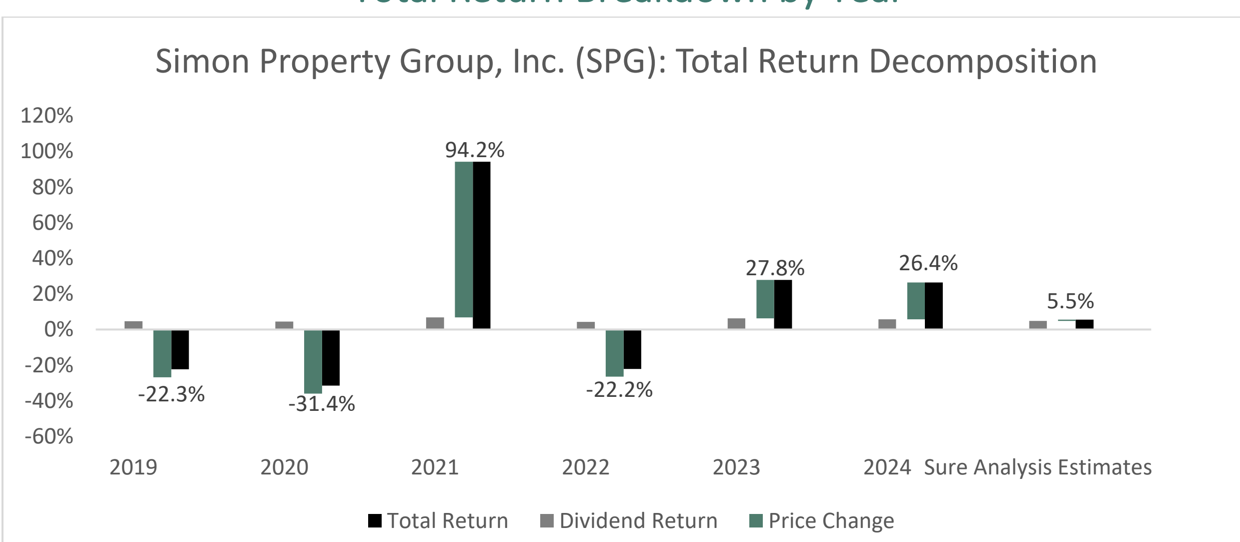
Simon's quality metrics have been very stable in the past decade as the company has kept operating metrics such as balance sheet leverage and unsecured interest coverage (5.8X) in a fairly narrow range. Profitability should improve further over time, with Simon's capacity to raise rent remaining robust. The payout ratio remains at a very safe range.

Simon's competitive advantage is in its world-class portfolio of properties that allow it to charge industry-best leasing rates. Another advantage is its low cost of capital that comes from its A-rated balance sheet, enabling it to invest in ways that competitors cannot afford to. That being said, it is not immune to recessions, as proven by its dividend cut during 2020 amid, admittedly, a black swan event for the industry. However, despite the cut, Simon's operations have held up fairly well, and have almost fully recovered already.

Final Thoughts & Recommendation

Overall, we forecast Simon to produce 5.5% total annualized returns in the coming years, to be mainly powered by the starting yield of 4.8% and modest growth, offset by the possibility of a soft valuation headwind. Simon's industry-leading metrics, world-class management, high-quality real estate portfolio, and successful acquisition of Taubman should translate to solid financials. That said, we rate SPG stock as a hold due to projected returns and the dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	5266	5435	5539	5658	5,755	4,608	5,117	5,291	5,659	5,964
Gross Profit	4306	4464	4559	4650	4,734	3,720	4,146	4,290	4,630	4,920
Gross Margin	81.8%	82.1%	82.3%	82.2%	82.2%	80.7%	81.0%	81.1%	81.8%	82.5%
SG&A Exp.	350	366	338	334	185	121	145	143	166	189
D&A Exp.	1239	1328	1357	1350	1,394	---	1,326	1,292	1,334	1,360
Operating Profit	2669	2721	2802	2911	2,908	1,972	2,431	2,584	2,807	3,093
Operating Margin	50.7%	50.1%	50.6%	51.5%	50.5%	42.8%	47.5%	48.8%	49.6%	51.9%
Net Profit	1828	1839	1948	2440	2,102	1,113	2,250	2,140	2,283	2,371
Net Margin	34.7%	33.8%	35.2%	43.1%	36.5%	24.2%	44.0%	40.4%	40.3%	39.8%
Free Cash Flow	2004	2574	2862	2969	2,932	---	3,109	3,117	3,138	3,059
Income Tax	20	30	23	37	30	-4.6	157	84	82	23

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	30565	31104	32258	30686	31232	34790	33780	33,010	34280	32,410
Cash & Equivalents	701	560	1482	514	669	1012	534	622	1,169	1,400
Acc. Receivable	625	665	743	764	832	1237	920	824	826	797
Goodwill & Int.	276	285	209	151	96	---	53	38	29	23
Total Liabilities	25349	26144	28019	26889	28320	31310	29920	29190	30600	28,810
Accounts Payable	1324	1214	1269	1317	1391	1312	1433	1,492	1693	1,712
Long-Term Debt	22417	22977	24564	23238	24096	26720	25260	24,900	25,970	24,210
Total Equity	4428	4267	3643	3254	2484	2997	3320	3,097	2,982	2,901
LTD/E Ratio	5.01	5.33	6.66	7.05	9.54	8.79	7.51	7.93	8.59	8.23

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	6.1%	6.0%	6.1%	7.8%	6.8%	3.4%	6.6%	6.4%	6.8%	7.1%
Return on Equity	38.6%	42.3%	49.3%	70.8%	73.3%	40.6%	71.2%	66.7%	60.8%	65.1%
ROIC	6.7%	6.6%	6.9%	8.7%	7.8%	3.9%	7.6%	7.3%	7.8%	8.3%
Shares Out.	309	313	311	309	306	309	329	327.82	326.8	326.1
Revenue/Share	16.98	17.38	17.78	18.27	18.69	149.2	15.57	16.14	17.32	18.29
FCF/Share	6.46	8.23	9.19	9.59	9.52	---	9.46	9.51	9.60	9.38

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.