W. P. Carey (WPC)

Updated November 11th, 2025 by Jonathan Weber

Key Metrics

Current Price:	$67	**5 Year CAGR Estimate:**	7.0%	**Market Cap:**	$15B
Fair Value Price:	$64	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	12/28/25[1]
% Fair Value:	104%	**5 Year Valuation Multiple Estimate:**	-0.8%	**Dividend Payment Date:**	01/16/26[2]
Dividend Yield:	5.4%	**5 Year Price Target**	$75	**Years Of Dividend Growth:**	2
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

W.P. Carey is a commercial real estate focused REIT that operates two segments: real estate ownership and investment management. The REIT operates more than 1,200 single tenant properties on a net lease basis, across the US and Northern and Western Europe. W.P. Carey was founded more than 40 years ago and is headquartered in New York, NY.

For its fiscal third quarter, W. P. Carey reported that its revenues totaled $431 million, which was 9% more than the revenues that W. P. Carey generated during the previous year's period, which was a slightly weaker performance than during the previous quarter. Revenues came in above the analyst consensus estimate, beating it by $7 million.

During the third quarter, the trust was more profitable than the analyst community had expected, as adjusted funds-from-operations came in at $1.25 on a per-share basis, beating the consensus estimate by $0.04. Adjusted funds-from-operations were up by a solid 6% on a per-share basis compared to the previous year's quarter.

W.P. Carey has raised its guidance for 2025, forecasting funds from operations in a range of $4.93 to $4.99 on a per-share basis, which means a meaningfully stronger result compared to 2024. This is due to the fact that W.P. Carey's office portfolio divestments have been lapped, which is why the company can benefit from organic growth again. The forecasted same-store rent growth rate for the current year is reasonable, at around 2%.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
FFOPS	$4.99	$5.12	$5.30	$5.41	$5.00	$4.60	$5.03	$5.29	$5.18	$4.70	***$4.96***	***$5.75***
DPS	$3.81	$3.90	$4.01	$4.09	$4.15	$4.18	$4.22	$4.24	$4.07	$3.49	***$3.64***	***$4.02***
Shares[3]	104	107	108	146	165	177	187	210	219	221	***223***	***230***

W. P. Carey generated FFO-per-share growth in the mid-single-digits for many years, but over the last decade, growth was lower. FFOPS declined during the initial phase of the pandemic but recovered quickly, rising in both 2021 and 2022. The divestments of the office portfolio hurt profits in 2024, but W.P. Carey believes that this portfolio repositioning will improve the long-term growth outlook.

W. P. Carey invests additional money in new properties continuously. Over the last decade, the REIT invested more than $10 billion into new assets by either purchasing entire REITs or through asset/portfolio purchases. W. P. Carey can access debt markets at favorable rates, which lowers the trust's cost of capital, which then allows for improved investment spreads. Since W. P. Carey cannot finance these acquisitions with debt alone, and since the REIT does not retain a very large portion of its cash flow, W. P. Carey issues new shares regularly. A factor that drives organic revenue growth is that the contracts W. P. Carey and the tenants sign often include ongoing rent increases, which results in growing revenues even without new asset purchases. These growth factors should persist going forward, which is why W. P. Carey should be able to increase its profits in the long run. A growing share count is a headwind for W.P. Carey's FFO-per-share growth rate. Overall, we believe that around 3% annual FFO-per-share growth is realistic.

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[1] Estimated date

[2] Estimated date

[3] 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.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
P/FFO	12.7	12.2	12.4	12.0	15.8	15.2	16.3	14.7	12.5	11.5	***13.5***	***13.0***
Avg. Yld.	6.0%	6.2%	6.1%	6.3%	5.3%	6.0%	5.1%	5.4%	6.3%	6.5%	***5.4%***	***5.4%***

W. P. Carey's share price has been volatile over the last year, but shares are now trading a bit above when we did our last update. Shares are trading for 13.5 times this year's expected funds from operations, which is more or less in line with our fair value estimate. Despite the dividend reduction, the yield is at a nice level of more than 5%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	76%	76%	76%	76%	83%	91%	84%	80%	79%	74%	***73%***	***70%***

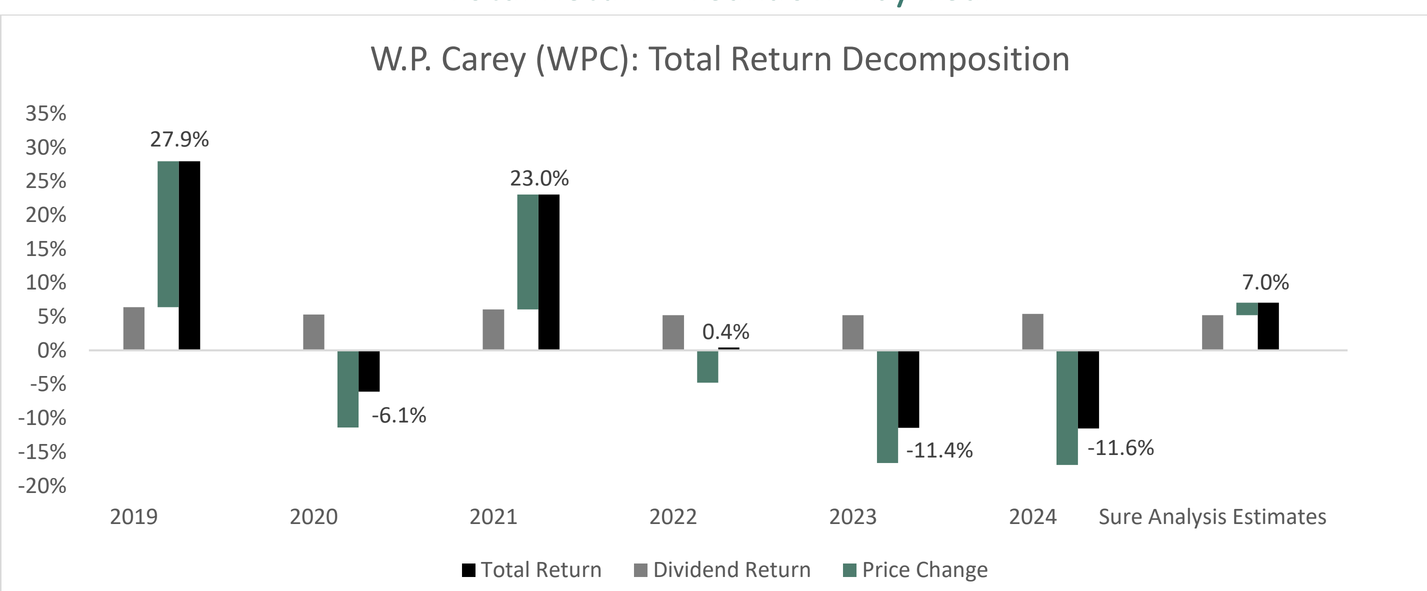
W. P. Carey has grown its dividend very regularly for many years, although the company always operated with a rather elevated dividend payout ratio. When W.P. Carey decided to exit the office real estate business, it also decided that a dividend reduction was a prudent move in order to have more cash available for reinvesting in the business. Due to its weak dividend track record, we do not believe that the dividend is especially safe.

W.P. Carey is quite recession-proof, as even during the Great Recession the REIT managed to keep its profits relatively stable. Due to geographic diversification (around 65% US, 30% Europe, 5% other), W. P. Carey is not overly dependent on the progress of any single market, which reduces risks for investors. This safety is underlined by long-lasting contracts, very high occupancy rates of ~99%, considerable scale, and an investment grade credit rating. W. P. Carey is one of the biggest players in its industry, and its focus on the sale-and-lease-back-transactions niche markets means that it is unlikely that competitors or new market entrants will hurt its business.

Final Thoughts & Recommendation

W.P. Carey has a relatively resilient business model, and even following the 2024 dividend reduction, the dividend yield is far from low. W.P. Carey is active in an attractive market segment: The REIT weathered the pandemic relatively well and should be able to grow its FFO-per-share in the long run. Due to solid but not overly attractive total returns being expected over the coming years, we rate W.P. Carey a hold at current prices.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	938	942	848	886	1,233	1,209	1,332	1,479	1,741	1,583
Gross Profit	796	787	728	793	1,083	1,090	1,207	1,328	1,520	1,407
Gross Margin	84.8%	83.6%	85.8%	89.5%	87.9%	90.1%	90.7%	89.8%	87.3%	88.8%
SG&A Exp.	136	115	103	96	102	93	107	124	131	140
D&A Exp.	317	283	316	349	545	509	548	563	628	532
Operating Profit	387	396	371	405	534	554	625	700	815	779
Operating Margin	41.3%	42.1%	43.8%	45.8%	43.3%	45.8%	46.9%	47.3%	46.8%	49.2%
Net Profit	172	268	277	412	305	455	410	599	708	461
Net Margin	18.4%	28.4%	32.7%	46.5%	24.8%	37.7%	30.8%	40.5%	40.7%	29.1%
Free Cash Flow	500	547	521	509	812	802	926	1,004	1,073	1,833
Income Tax	38	3	3	14	26	(21)	28	28	44	32

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	8,742	8,454	8,231	14,183	14,061	14,708	15,481	18,102	17,977	17,535
Cash & Equivalents	157	155	162	218	196	249	165	168	634	640
Accounts Receivable	4	5	4	1	1	0	0			
Goodwill & Int. Ass.	2,100	653	644	921	935	911	902	1,037	978	968
Total Liabilities	5,181	5,029	4,820	7,353	7,113	7,829	7,897	9,093	9,270	9,101
Accounts Payable	342	267	263	404	487	604	573	624	616	597
Long-Term Debt	4,480	4,441	4,265	6,379	6,054	6,696	6,792	7,878	8,144	8,039
Shareholder's Equity	3,427	3,302	3,192	6,824	6,942	6,877	7,582	8,994	8,700	8,430
LTD/E Ratio	1.31	1.35	1.34	0.93	0.87	0.97	0.90	0.88	0.94	0.95

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.0%	3.1%	3.3%	3.7%	2.2%	3.2%	2.7%	3.6%	3.9%	2.6%
Return on Equity	4.6%	7.7%	8.1%	8.0%	4.4%	6.6%	5.7%	7.2%	8.0%	5.4%
ROIC	2.2%	3.4%	3.6%	3.9%	2.3%	3.4%	2.9%	3.8%	4.2%	2.8%
Shares Out.	104	107	108	146	165	177	187	210	219	221
Revenue/Share	8.81	8.79	7.85	7.52	7.20	6.92	7.27	7.38	8.07	7.18
FCF/Share	4.69	5.11	4.82	4.33	4.74	4.58	5.06	5.01	4.98	8.31

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