



BTB Real Estate Investment Trust (BTBIF)

Updated December 22nd, 2025 by Nikolaos Sismanis

Key Metrics

Current Price:	\$2.84	5 Year Annual Expected Total Return :	7.1%	Market Cap:	\$261 M
Fair Value Price:	\$2.90	5 Year Growth Estimate:	0.0%	Ex-Dividend Date:	12/31/2025
% Fair Value:	98%	5 Year Valuation Multiple Estimate:	0.4%	Dividend Payment Date:	01/15/2026
Dividend Yield:	7.7%	5 Year Price Target	\$2.90	Years Of Dividend Growth:	0
Dividend Risk Score:	F	Sector:	Real Estate	Rating:	Sell

Overview & Current Events

BTB Real Estate Investment Trust is a Canadian REIT that owns, operates, and actively manages a portfolio of industrial, suburban office, and necessity-based retail properties, with a strong concentration in Québec and Eastern Ontario and a growing presence in Western Canada. As of September 30th, 2025, BTB owned 73 income-producing properties totaling 6.0 million square feet and a gross asset value of about C\$1.2 billion, with the portfolio weighted 41% suburban office, 36% industrial, and 23% necessity-based retail by fair value. The REIT generated \$90.4 million in revenues last year and now trades at a market cap of \$261 million. It reports its financials in CAD and pays dividends on a monthly basis. All figures in this report have been converted to USD unless otherwise noted.

On November 3rd, 2025, BTB REIT reported its Q3 results for the quarter ended September 30th, 2025, with revenue from real estate properties of \$23.6 million, up 1% year over year, driven by operating improvements, new leasing, and higher renewal rents. Net operating income increased about 6% year over year to \$14.3 million, while cash NOI rose roughly 4%, reflecting strong same-property performance and lease cancellation income on space already re-leased.

Portfolio occupancy was 91.5%, modestly lower year over year due to a planned industrial tenant departure, offset by solid leasing activity and average renewal rent growth of 14.5%. FFO per unit was \$0.083, up 7% compared to last year. For FY2025, we expect FFO per share of \$0.29.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
FFO	\$0.34	\$0.35	\$0.36	\$0.30	\$0.30	\$0.27	\$0.33	\$0.32	\$0.34	\$0.29	\$0.29	\$0.29
DPS	\$0.30	\$0.31	\$0.33	\$0.31	\$0.32	\$0.27	\$0.24	\$0.22	\$0.23	\$0.21	\$0.22	\$0.22
Shares¹	34.4	38.5	43.7	52.4	59.6	63.2	70.6	83.4	86.3	88.0	88.7	95.0

BTB's FFO per share trajectory has been somewhat underwhelming over the past decade. From 2015 through 2017, the modest improvement in FFO per share was due to a mix of portfolio expansion and steady property-level execution. The Trust spent these years adding assets and stabilizing cash flow via leasing and occupancy management, while keeping trust-level costs relatively contained, so incremental NOI translated into per-unit cash flow despite a gradually rising unit count.

The downshift between 2018 and 2020 was largely about portfolio repositioning friction and a challenging operating environment, with per-unit cash flow pressured by a combination of dispositions/non-core pruning, higher financing costs, and heavier leasing/capital activity to protect occupancy. These issues were amplified by COVID-era disruption in 2020 (especially for office leasing velocity and tenant-related measures). Even where revenue held up, the Trust was managing through a period where "clean" NOI-to-FFO translation was less favorable because more dollars were being absorbed below NOI and in capital/leasing intensity.

From 2021 through 2024, we saw operational improvements. However, these were offset by higher cost of capital. Same-property performance and leasing improved through tilting the mix toward industrial (higher-quality cash flows and better leasing momentum), which supported the rebound into 2022–2023. However, by 2024 the per-unit decline

¹ Share count is in millions.

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was due to interest expense and refinancing/carry costs in a higher-rate environment, plus incremental dilution from DRIP participation.

Moving forward, we expect no FFO per share growth as higher interest costs and capital recycling is likely to offset incremental NOI from its growing industrial portfolio. We also expect no growth in the dividend. The company slashed monthly payouts in 2020 from C\$0.0350 per month to C\$0.0250 per month. It has since been unchanged.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/FFO	12.1	9.7	10.0	12.0	12.0	9.3	9.7	8.4	7.4	9.3	9.8	10.0
Avg. Yld.	7.3%	9.1%	9.2%	8.6%	8.9%	10.8%	7.5%	8.1%	9.2%	7.8%	7.7%	7.6%

BTB has historically traded at 10x its FFO per share. Today, the REIT trades at 9.8x this year's expected FFO. We believe this multiple fairly values the stock, as its past decade-average accurately reflects the risks involved in its investment case. The dividend yield now stands at 7.7%, and we expect it to be the primary driver of BTB's total return prospects in the coming years.

Safety, Quality, Competitive Advantage, & Recession Resiliency

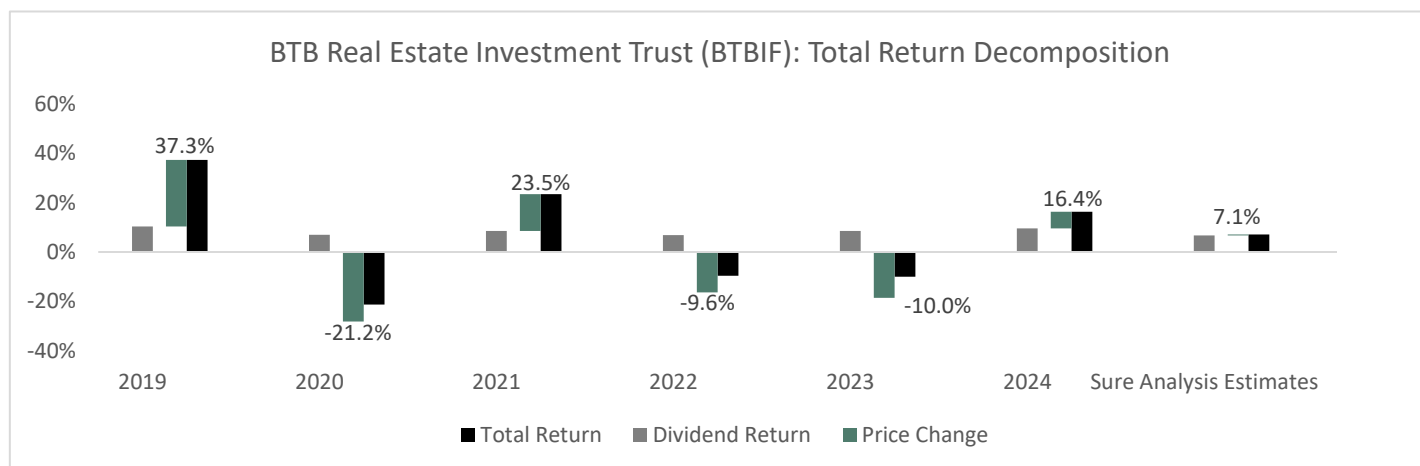
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	88%	89%	92%	103%	107%	100%	73%	69%	68%	72%	76%	76%

BTB shows a mixed risk profile. On the positive side, the REIT has been actively improving portfolio quality by increasing its exposure to industrial assets and necessity-based retail, which offer somewhat stable demand and better long-term fundamentals than office. However, financial safety is weaker, due to elevated leverage (56.8%). The decision to cut the distribution in 2020 also shows vulnerability during periods of stress. The portfolio's suburban office exposure further limits recession resilience, as office leasing demand remains structurally challenged. The payout ratio of 76% is healthier than in previous years, when it often exceeded 100%, so we believe the REIT can sustain its current dividend. Still, a prolonged downturn in the real estate sector wouldn't exclude the possibility of another dividend cut.

Final Thoughts & Recommendation

BTB REIT is making progress improving its asset mix, but elevated leverage, meaningful office exposure, and a history of a dividend cut limit its safety and near-term risk-adjusted appeal. We forecast an annualized total return potential of 7.1% over the medium term to be powered mainly by the starting dividend yield. However, due to the lack of dividend growth in recent years, we rate the stock a sell.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	57	55	59	67	71	69	80	92	95	95
Gross Profit	32	31	31	37	38	38	45	54	56	55
Gross Margin	56.6%	56.1%	52.9%	54.4%	54.3%	55.0%	56.1%	58.8%	58.9%	57.7%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	0	0	0	0	0	0	0	0	0	0
Operating Profit	11	13	29	33	33	28	37	59	50	47
Operating Margin	20.1%	22.7%	48.9%	49.3%	46.6%	40.5%	45.9%	64.7%	52.9%	49.1%
Net Profit	7	17	22	32	39	2	34	29	27	28
Net Margin	11.9%	30.1%	37.0%	47.3%	55.4%	3.1%	42.4%	31.9%	28.6%	29.8%
Free Cash Flow	13	14	15	17	18	18	28	29	29	24
Income Tax	-	-	-	-	-	-	-	-	-	-

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	456	491	608	626	724	727	895	870	931	873
Cash & Equivalents	3	5	2	6	1	7	6	2	1	2
Accounts Receivable										
Inventories	-	-	-	-	-	-	-	-	-	-
Goodwill & Int. Ass.	-	-	-	-	-	-	-	-	-	-
Total Liabilities	330	332	410	408	450	459	574	529	569	591
Accounts Payable										
Long-Term Debt	314	323	381	381	422	422	516	504	504	541
Shareholder's Equity	126	159	199	218	275	268	320	341	362	344
LTD/E Ratio	2.56	2.03	1.99	1.79	1.57	1.62	1.70	1.50	1.52	1.67

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.4%	3.5%	3.9%	5.2%	5.8%	0.3%	4.2%	3.3%	3.0%	3.1%
Return on Equity	4.9%	11.7%	12.1%	15.3%	15.9%	0.8%	11.5%	8.9%	7.7%	8.0%
ROIC	1.4%	3.6%	4.0%	5.3%	5.9%	0.3%	4.3%	3.4%	3.1%	3.1%
Shares Out.	34.4	38.5	43.7	52.4	59.6	63.2	70.6	83.4	86.3	88.0
Revenue/Share	1.65									
FCF/Share	0.39									

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

Disclaimer

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