



Community Healthcare Trust Inc (CHCT)

Updated February 24th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	\$17	5 Year CAGR Estimate:	17.7%	Market Cap:	\$442 M
Fair Value Price:	\$22	5 Year Growth Estimate:	5.0%	Ex-Dividend Date¹:	02/23/2026
% Fair Value:	77%	5 Year Valuation Multiple Estimate:	5.3%	Dividend Payment Date¹:	03/04/2026
Dividend Yield:	11.5%	5 Year Price Target	\$27	Years Of Dividend Growth:	10
Dividend Risk Score:	F	Sector:	Real Estate	Rating:	Hold

Overview & Current Events

Community Healthcare Trust is a REIT which owns income-producing real estate properties linked to the healthcare sector, such as physician offices, specialty centers, behavioral facilities, inpatient rehabilitation facilities, and medical office buildings, in the trust's target sub-markets within the United States. The trust has investments in 198 properties in 36 states, totaling 4.5 million square feet. Community Healthcare Trust trades on the NYSE under the ticker symbol CHCT and is headquartered in Franklin, Tennessee. It has a market capitalization of \$442 million.

On February 17th, 2026, Community Healthcare Trust reported fourth quarter results for the period ending December 31st, 2025. Funds from operations (FFO) per share rose 2% to \$0.49 from \$0.48 in the prior year quarter. Adjusted FFO per share was flat at \$0.55.

During the quarter, Community Healthcare disposed of three properties, earning net proceeds of \$32 million. The trust also has five properties under definitive purchase agreements, with a combined purchase price of roughly \$123 million, expected to close from 2025 through 2027. CHCT acquired one inpatient rehabilitation facility in Florida for \$26.5 million. It was 100% leased to a tenant through 2040.

The board of directors passed a 0.5% increase to the quarterly dividend to \$0.4775 per share, or an annualized rate of \$1.91 per share. CHCT has increased its dividend every quarter since its IPO.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AFFOPS	\$1.41	\$1.41	\$1.53	\$1.67	\$2.03	\$2.20	\$2.49	\$2.49	\$2.22	\$2.08	\$2.05	\$2.62
DPS	\$1.53	\$1.57	\$1.61	\$1.65	\$1.69	\$1.73	\$1.77	\$1.81	\$1.85	\$1.89	\$1.91	\$2.11
Shares²	11.3	14.8	17.7	18.7	23.1	24.3	23.8	26.0	26.7	27.0	28.0	40.0

Community Healthcare Trust was made public in mid-2016, so there exists only nine years of complete financial results from which to base future estimates off. In the nine-year period from 2017 through 2025, CHCT grew funds from operations by 5% annually. Even throughout the COVID pandemic, CHCT continued growing its AFFO.

We expect that the trust can increase AFFO per share at a 5.0% annualized growth rate beyond 2026. The trust will grow its healthcare property portfolio through acquisitions of non-urban healthcare facilities, which provide stable revenue growth and long-term cash flows. CHCT avoids urban properties to avoid competition from other REITs, which increases its potential for more attractive risk-adjusted returns. The trust acquires primarily individual properties worth between \$5 million and \$30 million. Healthcare-related real estate rents and valuations are generally more stable than other property types due to favorable demographic trends and the rising demand for healthcare, regardless of the economic climate.

The trust's network of relationships in the healthcare market has allowed CHCT to acquire healthcare properties in its target markets from third-party owners of existing healthcare facilities, physician owners and with healthcare providers through sale/leaseback transactions. Existing shareholders can expect to be diluted over the long term, as CHCT has

¹ Estimate

² In millions

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increased its outstanding shares by 3% annually over the trailing five years. Despite this increasing number of shares, FFO growth still came in positively over that period, so CHCT has been making good investments.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/AFFO	14.5	18.0	18.4	23.7	21.5	21.6	15.2	13.5	10.0	7.9	8.1	10.5
Avg. Yld.	6.8%	6.1%	5.7%	4.2%	3.9%	3.5%	4.5%	5.4%	6.9%	7.7%	11.5%	7.7%

Since IPO, Community Healthcare has traded at an average P/AFFO ratio of 16.4 We peg fair value at 10.5 times FFO given issues with its tenants. Still, we believe shares today are undervalued, implying a valuation tailwind. The 11.5% yield today is well above its long-term average yield of 5.5%, which could further indicate that shares are undervalued here.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	108%	111%	105%	99%	83%	78%	71%	72%	83%	91%	93%	81%

The trust's payout ratio began above 100% of funds from operations, but as FFO increased, the ratio fell to more reasonable levels. Although the 2026 payout ratio is projected at 93%, it may decrease over the coming years if FFO growth surpasses dividend increases as we forecast.

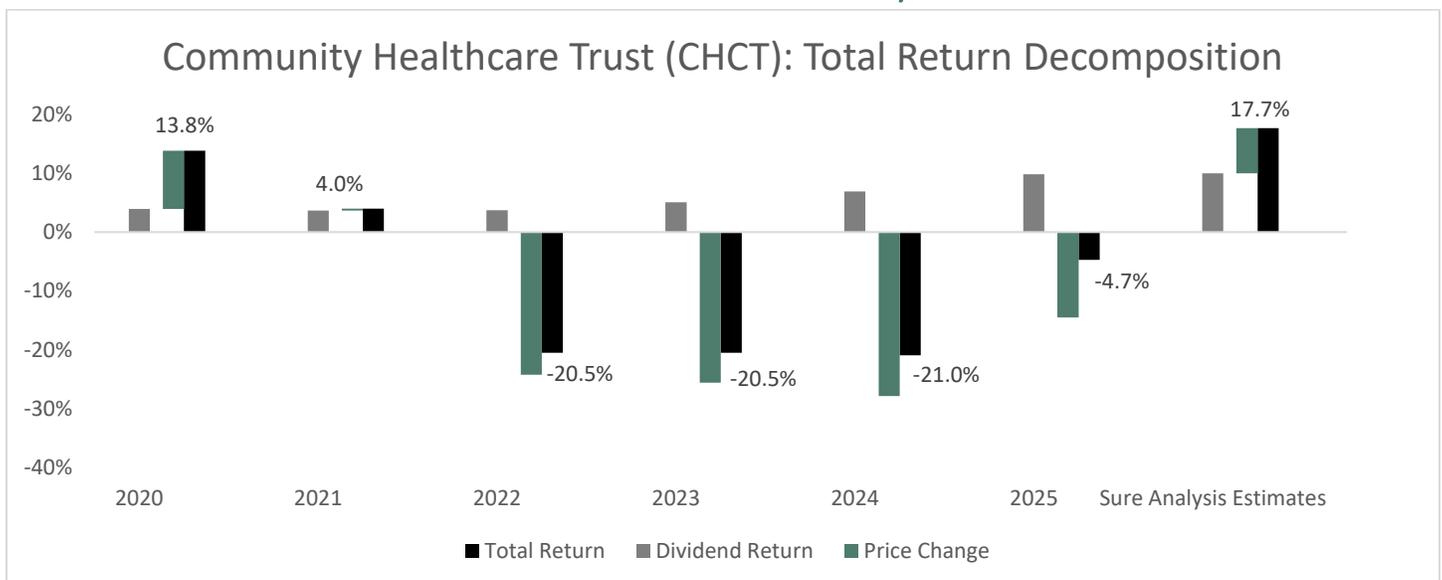
Community Healthcare is somewhat recession resistant, as it owns properties which must operate in both good and bad financial times, but this does not completely prevent the threat of its partners and tenants facing financial difficulties.

CHCT's competitive advantage lies in its management's strong network of relationships to take advantage of in making attractive acquisitions and its focus on non-urban healthcare properties which result in higher risk-adjusted returns, but we would only call this a moderately strong advantage amongst its peers.

Final Thoughts & Recommendation

Community Healthcare has a short track record of financial results; however, it has increased funds from operations at this time at a decent rate. Additionally, the trust is dedicated to the dividend which has increased every quarter since IPO. We estimate that CHCT trades below fair value and offers 17.7% annual total returns. CHCT earns a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	25	37	49	61	76	91	98	113	116	121.20
Gross Profit	20	29	39	49	62	75	81	92	93	54.03
Gross Margin	81.2%	76.7%	79.5%	79.9%	82.0%	83.3%	83.0%	81.4%	80.3%	80.3%
SG&A Exp.	3	4	6	8	9	12	15	27	19	0.00
D&A Exp.	13	18	20	23	26	31	33	40	44	43.54
Operating Profit	4	7	13	19	28	33	34	25	20	20.27
Operating Margin	15.4%	18.5%	27.7%	30.7%	36.9%	36.3%	34.7%	22.1%	17.2%	17.2%
Net Profit	3	4	4	8	19	22	22	8	-3	2.08
Net Margin	12.0%	10.8%	8.2%	13.1%	25.0%	24.2%	22.4%	7.1%	-2.6%	-2.6%
Free Cash Flow	13	21	20	28	41	49	50	42	34	35.91
Income Tax	0	0	-2	1	0	0	0	0	0	0.023

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	252	386	427	563	668	754	876	945	993	990.76
Cash & Equivalents	2	2	2	2	2	2	11	3	4	3.34
Accounts Receivable	3	5	5	8	10	14	18	23	25	0.00
Goodwill & Intang.	0	0	0	0	1	1	2	3	2	1.307
Total Liabilities	58	102	155	209	238	292	380	432	517	561.37
Long-Term Debt	51	93	148	194	212	266	353	403	486	537.73
Shareholder's Equity	194	283	272	353	430	462	497	513	476	429.39
LTD/E Ratio	0.26	0.33	0.54	0.55	0.49	0.57	0.71	0.79	1.02	1.252

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.4%	1.1%	1.1%	1.7%	3.1%	3.2%	2.7%	0.9%	-0.3%	0.21%
Return on Equity	1.7%	1.5%	1.6%	2.7%	4.9%	5.0%	4.6%	1.5%	-0.6%	0.46%
ROIC	1.4%	1.1%	1.1%	1.7%	3.2%	3.3%	2.8%	0.9%	-0.3%	0.21%
Shares Out.	11.3	14.8	17.7	18.7	23.1	24.3	23.6	25.2	26.5	26.86
Revenue/Share	2.23	2.52	2.75	3.26	3.51	3.89	4.1	4.5	4.4	4.513
FCF/Share	1.18	1.42	1.13	1.50	1.92	2.11	2.11	1.68	1.29	1.337

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

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