Centerspace (CSR)

Updated February 22nd, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$62	**5 Year CAGR Estimate:**	11.3%	**Market Cap:**	$1.1 B
Fair Value Price:	$74	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date:**	03/30/2026
% Fair Value:	84%	**5 Year Valuation Multiple Estimate:**	3.5%	**Dividend Payment Date:**	04/14/2026
Dividend Yield:	5.0%	**5 Year Price Target**	$90	**Years Of Dividend Growth:**	5
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Centerspace owns and operates 61 apartment communities comprised of 12,262 homes in Colorado, Minnesota, Montana, Nebraska, North Dakota and South Dakota. The company was founded in 1970, was formerly known as Investor Real Estate Trust (IRET) until December 2020, and trades with a market capitalization of $1.1 billion.

On December 31, 2018, the company underwent a 1-for-10 reverse stock split. Every ten shares of the company was converted into one, and its quarterly dividend of $0.07 at the time became $0.70.

On February 17th, 2026, Centerspace published its Q4 results for the period ending December 31, 2025. Same-store revenues increased 1.0% year-over-year. Core FFO increased by 3.3% to $1.25, beating analyst estimates by two cents. Centerspace's same-store weighted average occupancy was 95.7%, a 30 basis point year-over-year improvement.

The company ended the quarter with $268 million in total available liquidity.

During 2025, Centerspace acquired two apartment communities for a combined purchase price of $281 million.

Management initiated its 2026 guidance, expecting core FFO for the year between $4.81 to $5.05, which represents flat growth at the midpoint. This guidance assumes same-store recurring capex of $1,250 to $1,350 per home, and value-add expenditures of $2.5 million to $15 million.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFOPS	$7.60	$4.00	$3.29	$4.05	$3.78	$3.99	$4.43	$4.78	$4.88	$4.93	***$4.93***	***$6.00***
DPS	$5.20	$3.40	$2.80	$2.80	$2.80	$2.82	$2.91	$2.92	$2.98	$3.08	***$3.08***	***$3.38***
Shares[1]	13.7	13.7	13.3	13.2	13.6	13.8	15.2	17.1	15.5	16.8	***17.0***	***20.0***

From 2020 and beyond, when IRET became Centerspace, it began reporting core FFO – which is what we have elected to display. Since the company became Centerspace, its core FFO per share has improved at a 5.5% CAGR.

The REIT has transformed its portfolio since 2017, selling off 66 of its communities in lower-growth markets for $599 million, and acquiring 35 communities for $1.6 billion. Through this transformation, Centerspace now operates less communities but more homes; homes per community rose from 132 to 190 in this period, thus its portfolio has become more efficient. As of Q4 2025, its multifamily portfolio comprised 61 communities with 12,262 homes. Average monthly rent has also soared and is now $1,635 vs $980 in 2017.

New families and households are forming faster than new houses are being built in the US, and by a wide margin. Since 2011, new household formations outpaced new homes supply by more than 5 million. As a result of the limited supply, Centerspace is in a good position to benefit from the high demand.

The company's dividend has increased at a 1.9% CAGR since 2020, which we expect will continue into 2031. Management appears committed to continually raising the dividend, and so far, has produced a 5-year increase streak.

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[1] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	8.5	15.3	16.3	16.0	18.3	21.4	18.5	12.4	13.5	12.4	***12.6***	***15.0***
Avg. Yld.	8.1%	5.9%	5.2%	4.4%	4.1%	3.4%	3.6%	5.0%	2.9%	3.9%	***5.0%***	***3.8%***

Centerspace trades at 12.6 times this year's expected FFO per share, which is lower than the 5-year average of 15.7. The current valuation is well below our fair value estimate of 15.0 times expected earnings. As a result, we forecast the potential for a valuation tailwind over the intermediate term.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	68%	85%	85%	69%	74%	71%	66%	61%	61%	62%	***62%***	***56%***

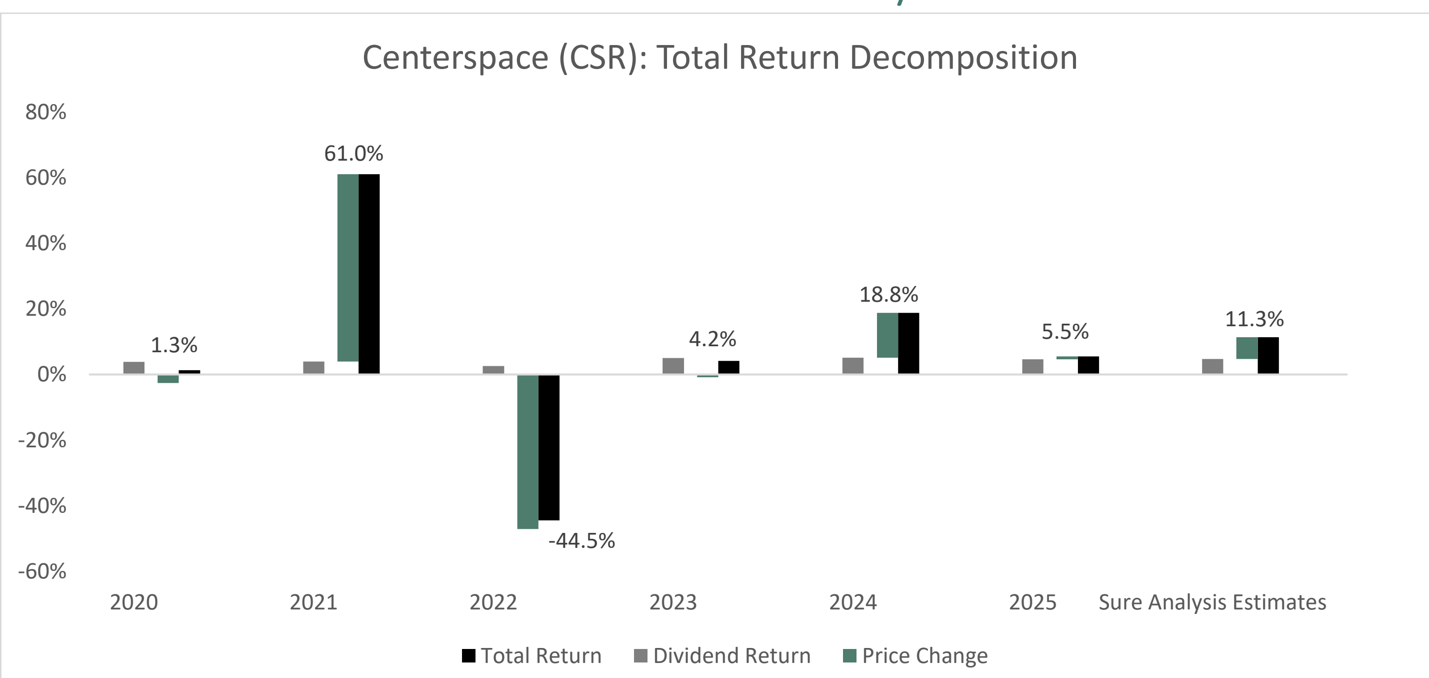
Centerspace claims that its unique deal structures offer it a competitive advantage. For example, in its major portfolio restructuring, which began in 2017, a little over 30% of its acquisition structure has comprised OP units, with the remainder primarily consisting of cash. Also, its largest geographical exposure is to Minneapolis (~30% of NOI), which is the 16th largest MSA, and boasts a population of 3.7 million and a median household income 22% above that of the U.S.

Centerspace benefits from the defensive nature of its residential multi-family property portfolio, lending it a high level of recession resiliency. Furthermore, its demographic possesses high creditworthiness and low unemployment, protecting Centerspace's rent collection rates. This can be seen in 2020, when FFO fell by just 7% while many other real estate companies suffered severely. The company's dividend was well-covered during the pandemic and remains so today, clearing the way for further dividend growth in the years to come.

Final Thoughts & Recommendation

Through the major transformation of its residential multi-family portfolio in recent years, Centerspace now operates a more concentrated and efficient portfolio of apartment communities. Based on the strategic expansion of its property portfolio, Centerspace is projected to achieve annualized returns of 11.3% through 2031. CSR 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	146	160	122	186	178	202	257	261	261	353.13
Gross Profit	84	91	67	101	99	111	138	146	149	123.99
Gross Margin	57.5%	56.7%	55.4%	54.5%	55.6%	55.1%	53.8%	55.9%	56.9%	56.9%
SG&A Exp.	13	16	10	14	13	16	18	20	18	0.00
D&A Exp.	65	57	51	75	77	93	106	103	108	114.64
Operating Profit	31	31	7	13	10	3	15	24	24	103.07
Operating Margin	21.2%	19.1%	5.9%	6.7%	5.6%	1.3%	6.0%	9.3%	9.3%	9.3%
Net Profit	72	43	(4)	79	5	1	(13)	42	(11)	22.96
Net Margin	49.5%	27.1%	-3.6%	42.6%	2.9%	0.3%	-5.2%	16.1%	-4.1%	-4.1%
Free Cash Flow	72	79	40	70	61	84	92	90	98	64.29

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,755	1,475	1,336	1,392	1,464	1,940	2,033	1,926	1,914	1,926
Cash & Equivalents	67	29	14	27	0	31	10	9	12	15.65
Accounts Receivable	9	3	1	1	1	1	1	1	1	0.00
Goodwill & Int. Ass.	4	2	2	2	2	8	3	3	2	2.331
Total Liabilities	1,037	838	693	696	775	918	1,066	979	1,015	1,080
Long-Term Debt	912	665	646	649	719	856	1,008	916	955	1,021
Shareholder's Equity	480	442	469	520	525	679	636	616	654	719.16
LTD/E Ratio	1.47	1.20	1.14	1.02	1.13	1.07	1.35	1.26	1.43	1.408

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.8%	2.7%	-0.3%	5.8%	0.4%	0.0%	-0.7%	2.1%	-0.6%	1.20%
Return on Equity	9.9%	6.4%	-0.7%	11.8%	0.7%	0.1%	-1.4%	4.4%	-1.2%	2.63%
ROIC	4.6%	3.0%	-0.3%	6.0%	0.4%	0.0%	-0.7%	2.2%	-0.6%	1.23%
Shares Out.	13.7	13.7	13.3	13.2	13.6	13.8	15.2	17.1	15.5	16.78
Revenue/Share	1.06	11.66	9.15	14.09	13.09	14.61	16.87	15.27	16.83	21.05
FCF/Share	0.53	5.76	3.00	5.28	4.50	6.09	6.05	5.23	6.34	3.833

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