



# Dream Industrial Real Estate Investment Trust (DREUF)

Updated February 28<sup>th</sup>, 2026, by Nikolaos Sismanis

## Key Metrics

<b>Current Price:</b>	\$9.67	<b>5 Year Annual Expected Total Return:</b>	4.2%	<b>Market Cap:</b>	\$2.86 B
<b>Fair Value Price:</b>	\$8.80	<b>5 Year Growth Estimate:</b>	1.0%	<b>Ex-Dividend Date:</b>	02/27/2026
<b>% Fair Value:</b>	110%	<b>5 Year Valuation Multiple Estimate:</b>	-1.9%	<b>Dividend Payment Date:</b>	03/18/2026
<b>Dividend Yield:</b>	5.3%	<b>5 Year Price Target</b>	\$9.25	<b>Years Of Dividend Growth:</b>	0
<b>Dividend Risk Score:</b>	F	<b>Sector:</b>	Real Estate	<b>Rating:</b>	Sell

## Overview & Current Events

Dream Industrial REIT is an industrial REIT that owns and operates a high-quality portfolio of urban logistics and light industrial properties. At the end of last year, the trust managed 342 assets, totaling about 73.6 million square feet of gross leasable area across Canada, the United States, and Europe. The portfolio is primarily composed of multi-tenant buildings, with a portion in single-tenant properties, and is well-diversified across key industrial markets. Dream Industrial is listed on the Toronto Stock Exchange under the ticker DIR.UN and trades in the U.S. under the symbol DREUF, with a market capitalization of about \$2.86 billion.

On February 17<sup>th</sup>, 2026, Dream Industrial REIT released its full-year results for the period ended December 31<sup>st</sup>, 2025. Total net rental income increased to \$281.1 million, up 8.3% year-over-year, driven by strong comparative properties NOI ("CP NOI") growth and contributions from completed development projects. CP NOI (constant currency basis) rose to approximately \$295.6 million, reflecting 5.7% growth over 2024, supported by solid leasing momentum and higher rental rates across both Canada and Europe. T

The trust ended the year with in-place and committed occupancy of 96.2% and transacted nearly 7.4 million square feet of leases during 2025 at a weighted average rental rate spread to expiry of 19.6%. During the year, Dream Industrial agreed to sell a 3.6 million square foot portfolio to its newly formed DCI JV with CPP Investments for approximately \$587.7 million, including the first tranche closing in February 2026 for estimated net proceeds of \$273.8 million. The trust also completed select acquisitions in Germany and through its joint ventures, while advancing its capital recycling strategy. Funds from Operations (FFO) totaled approximately \$224.0 million, or \$0.76 per diluted unit, up 4.9% year-over-year, reflecting higher rental income, continued organic growth and disciplined capital allocation. For this year, we expect FFO per unit of \$0.80.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>FFO/U</b>	\$0.68	\$0.73	\$0.63	\$0.60	\$0.56	\$0.64	\$0.66	\$0.74	\$0.70	\$0.76	<b>\$0.80</b>	<b>\$0.84</b>
<b>DPU</b>	\$0.52	\$0.56	\$0.51	\$0.54	\$0.55	\$0.55	\$0.52	\$0.53	\$0.49	\$0.51	<b>\$0.51</b>	<b>\$0.54</b>
<b>Units<sup>1</sup></b>	59.6	75.1	92.1	134.8	152.7	233.9	256.6	273.2	277.8	286.8	<b>286.8</b>	<b>400.0</b>

Even though Dream Industrial has grown its portfolio dramatically (from about 17 million square feet in 2016 to over 73 million last year), its FFO per unit in USD has barely moved over that time. One obvious factor is currency: since the REIT reports in Canadian dollars, a weaker Canadian dollar over time has dragged down the USD equivalent.

But FX aside, there are other important reasons. Much of the portfolio growth has come through issuing new equity and forming joint ventures. This means that while total FFO has grown, it is spread across more units. That has held the per-unit numbers back. On top of that, the REIT has taken a long-term approach of investing in development projects and value-add initiatives that take time to stabilize and don't always boost FFO right away. Add to that a higher interest rate environment in recent years, which has made debt more expensive, and you're left with a situation where even solid operating performance gets offset elsewhere.

<sup>1</sup> In millions

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Because of this, the distribution has stayed stable at \$0.70 in CAD per unit annually since the company began issuing dividends in January of 2013. Dividends are paid monthly. We have incorporated a 1% CAGR in both our FFO/unit and DPU through 2031, assuming that current headwinds (weak FX, interest rates) improve in the coming years.

## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
P/FFO	9.5	9.7	11.1	11.8	12.7	18.8	15.7	13.9	13.8	11.2	12.1	11.0
Avg. Yld.	8.2%	8.0%	7.4%	5.0%	6.2%	4.6%	5.2%	5.2%	5.1%	6.0%	5.3%	5.8%

Dream Industrial’s ten-year average price-to-funds from operations ratio (P/FFO) is 12.8, but this has expanded notably to 14.7 over the trailing five years. Today, the REIT appears overvalued at 12.1 times our expected FFO per unit for the year. We believe that the stock deserves to trade at a modestly lower multiple due to the lack of noteworthy growth in FFO per unit and DPU over the years. A P/FFO of 11.0 reflects our modest growth estimates. The dividend yield now stands at 5.3%, and we expect it to be the main contributing engine of returns for investors in the coming years.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

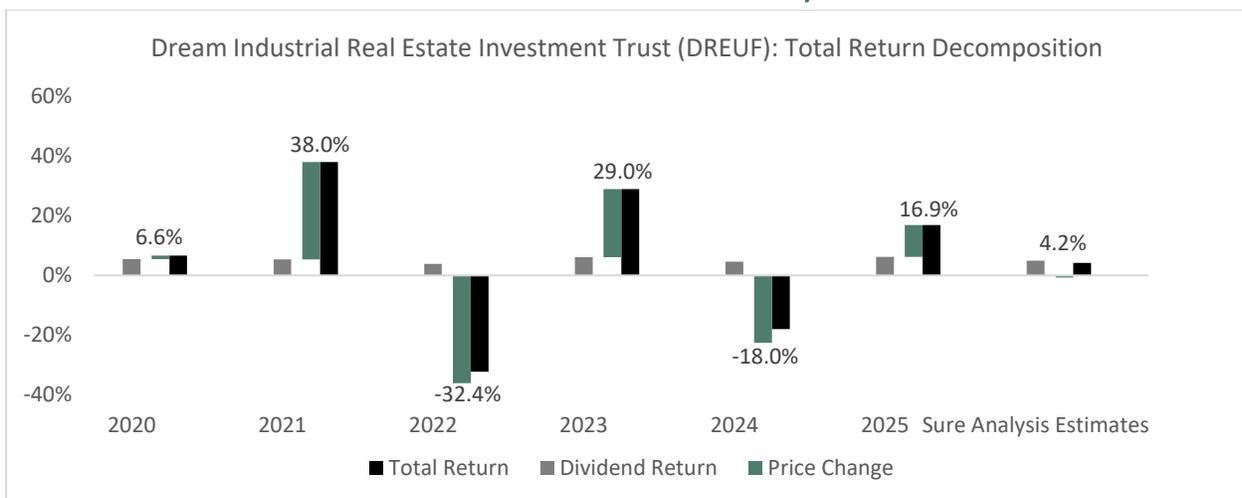
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	76%	77%	81%	90%	98%	86%	79%	72%	70%	67%	64%	64%

Dream Industrial’s portfolio is anchored by high-quality, functional industrial properties located in major urban logistics markets across Canada, Europe, and the U.S. These are core, infill locations that benefit from limited supply, strong tenant demand, and long-term land value. The trust focuses on maintaining modern, versatile space that appeals to a broad range of tenants in critical sectors like warehousing, distribution, and light manufacturing. This focus essentially helps support high occupancy, which stood at 96.2% at the end of December, and strong leasing momentum. While it wasn’t public during the Great Financial Crisis, the REIT maintained stable occupancy and cash flow during the COVID-19 pandemic, underscoring the essential nature of its tenant base and the overall resilience of industrial real estate.

## Final Thoughts & Recommendation

Dream Industrial REIT offers stable income from a high-quality industrial portfolio, but per-unit growth has been lacking despite significant expansion, due to dilution from equity issuance, rising interest costs, and the lag between investment and earnings contribution. Its steady payout and defensive asset base continue to appeal in uncertain markets, though. We expect annualized returns 4.2% moving forward, to be driven mainly by the monthly dividend, partially offset by the possibility of a valuation headwind. That said, we rate the stock as a sell due to the lack of consistent dividend growth.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	139	132	133	124	147	176	231	284	324	340
Gross Profit	94	89	90	88	105	126	174	216	247	259
Gross Margin	67.5%	67.2%	67.8%	71.2%	71.2%	71.6%	75.2%	76.2%	76.4%	76.2%
SG&A Exp.	10	11	9	10	11	15	21	26	27	28
D&A Exp.	0	0	0	0	0	0	1	2	2	3
Operating Profit	83	78	81	78	94	111	153	190	220	232
Operating Margin	60.2%	59.2%	60.7%	63.2%	63.8%	63.1%	66.0%	66.9%	68.0%	68.1%
Net Profit	28	(2)	27	122	135	149	485	543	77	189
Net Margin	19.9%	-1.5%	20.1%	98.2%	91.9%	84.8%	209.9%	191.0%	23.8%	55.7%
Free Cash Flow	39	30	40	49	82	95	102	54	224	216
Income Tax	0	(0)	0	1	6	6	24	15	(1)	7

## Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,240	1,230	1,438	1,586	2,215	2,761	4,748	5,364	5,924	5,660
Cash & Equivalents	1	5	43	4	338	200	129	62	38	56
Accounts Receivable	1	1	1	1	2	3	1	20	10	7
Total Liabilities	788	791	871	860	1,021	1,268	2,003	2,084	2,475	2,363
Accounts Payable	0	1	11	16	20	26	57	65	57	47
Long-Term Debt	665	644	708	688	777	987	1,604	1,778	2,146	2,069
Shareholder's Equity	452	438	566	726	1,194	1,494	2,745	3,281	3,449	3,296
LTD/E Ratio	1.47	1.47	1.25	0.95	0.65	0.66	0.58	0.54	0.62	0.63

## Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.0%	-0.2%	2.0%	8.0%	7.1%	6.0%	12.9%	10.7%	1.4%	3.3%
Return on Equity	5.6%	-0.5%	5.3%	18.8%	14.1%	11.1%	22.9%	18.0%	2.3%	5.6%
ROIC	2.2%	-0.2%	2.3%	9.0%	8.0%	6.7%	14.2%	11.5%	1.5%	3.5%
Shares Out.	58.6	59.6	75.1	92.1	134.8	152.7	233.9	256.6	273.2	277.8
Revenue/Share	1.59	1.50	1.46	1.15	1.10	1.04	1.07	1.11	1.15	1.17
FCF/Share	0.45	0.34	0.44	0.46	0.61	0.56	0.47	0.21	0.80	0.74

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

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