Killam Apartment REIT (KMMPF)

Updated February 27th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$12.41	**5 Year Annual Expected Total Return:**	5.8%	**Market Cap:**	$1.55 B
Fair Value Price:	$11.70	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	02/27/2026
% Fair Value:	106%	**5 Year Valuation Multiple Estimate:**	-1.2%	**Dividend Payment Date:**	03/16/2026
Dividend Yield:	4.3%	**5 Year Price Target**	$13.56	**Years Of Dividend Growth:**	1
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Killam Apartment REIT is a Canadian residential REIT that owns, operates, and develops a large portfolio of apartment buildings and manufactured home communities (MHCs) across Canada. Headquartered in Halifax, Nova Scotia, Killam controls about $4.0 billion of real estate, including 17,853 apartment units and 5,805 MHC sites concentrated in Atlantic Canada, Ontario, Alberta, and British Columbia. The REIT pays a monthly dividend. Last year, Killam registered $280 million in revenues. It now trades at a market capitalization of $1.55 billion. The REIT reports its financials in CAD. All Figures in this report have been converted to USD unless otherwise noted.

On February 11th, 2026, Killam Apartment REIT reported its full-year results for the year ended December 31st, 2025. Total property revenue was about $280 million, up roughly 5% year over year from $255 million, reflecting 5.5% same-property revenue growth and contributions from acquisitions and completed developments. Net operating income (NOI) rose to about $186 million, driven by 6.1% same-property NOI growth, with same-property apartment occupancy remaining strong at 97.3%. FFO per unit increased 4.2% to roughly $0.90 on a diluted basis. Management highlighted disciplined capital recycling (completing roughly $108 million of dispositions), strong operational execution across markets, and a conservative balance sheet with total debt at 41.9% of total assets as key supports for sustainable FFO growth going forward. For FY2026, we expect FFO per share of $0.90.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO/share	$0.64	$0.72	$0.69	$0.75	$0.79	$0.85	$0.82	$0.87	$0.82	$0.90	***$0.90***	***$1.04***
DPS	$0.45	$0.49	$0.47	$0.51	$0.53	$0.54	$0.52	$0.53	$0.49	$0.53	***$0.53***	***$0.61***
Shares[1]	73.4	78.7	87.2	97.9	103.2	111.6	119.7	121.7	123.1	124.5	***124.5***	***130.0***

Killam Apartment REIT's FFO per share has followed a broadly upward but modest path over the past decade, increasing from about $0.64 in 2016 to a peak of around $0.90 in 2025 in USD terms. Between 2016 and 2017, growth was driven by same-store NOI improvements, aided by higher occupancy, rental rate growth and lower energy costs. The REIT also added incremental FFO via accretive developments and acquisitions, while refinancings at lower interest rates reduced interest expenses.

In the coming years through 2021, the REIT surged in size through geographic expansion, development completions and the addition of manufactured home communities but FFO per share growth moderated as the share/unit count rose and capital was regularly deployed in externally-funded transactions. The 2020–2021 stretch in particular benefited from resilient rental fundamentals despite the pandemic, yet the underlying FFO/unit growth was modest as management prioritized growth in assets and scale. From 2022–2024, same-property rental rate growth supported income, but cap-rate headwinds, higher interest costs, and selective dispositions contributed to the slight dip in FFO/share. In 2025, fundamentals re-accelerated, with 6.1% same-property NOI growth driving a 4% rebound in FFO per unit as occupancy remained near 97% and balance sheet leverage improved.

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[1] Share count is in millions.

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Moving forward, we expect FFO/share growth of roughly 3%, to be supported by continued same-property rent hikes in tight Atlantic and Ontario rental markets, the steady contribution of recently completed developments, and operating-cost efficiencies from ongoing energy-retrofit and repositioning projects.

Note that Killam has never cut its monthly dividend since its first payout in 2007. The REIT has hiked its monthly payout 8 times since, but raises haven't been consistent. The last hike was in late 2024 and the one before that in mid-2021, hence the dividend growth streak was recently reset. We believe the dividend can also grow, on average by 3%/annum.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	15.6	15.0	17.8	20.0	17.3	19.4	17.1	16.2	16.7	14.3	***13.8***	***13.0***
Avg. Yld.	4.5%	4.5%	3.8%	3.4%	3.9%	3.3%	3.7%	3.8%	3.6%	4.1%	***4.3%***	***4.5%***

Killam Apartments has historically traded at a P/FFO in the mid to high teens, more or less in line with its residential real estate peers. Today, the REIT trades a P/FFO of 13.8. We believe this is a little bit of a rich multiple given our underlying growth expectations. The dividend yield now hovers close to 4.3%, modestly higher from its past decade-average of 3.9%, which makes sense given the higher-rates environment even after the recent rate cuts.

Safety, Quality, Competitive Advantage, & Recession Resiliency

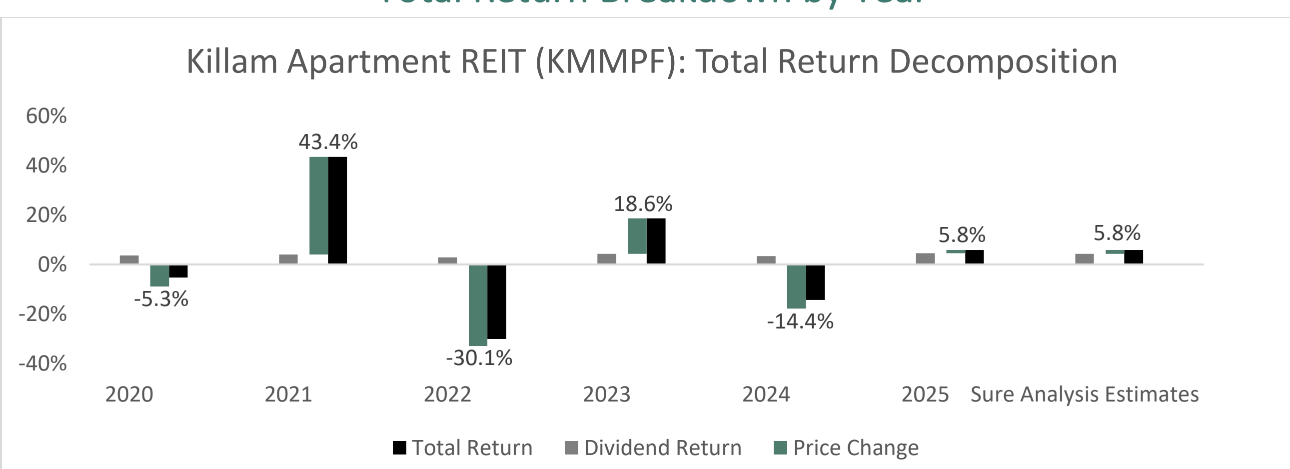
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	70%	68%	68%	68%	67%	64%	63%	61%	60%	59%	***59%***	***59%***

Killam's stability is underpinned by a large, diversified portfolio of necessity-based apartments and MHCs, consistently high occupancy, and a conservative balance sheet with debt representing just 41.9% of total assets as of last quarter. Its competitive edge comes from its scale in Atlantic Canada and its integrated platform for acquisitions, operations, and development. The REIT demonstrated strong recession resilience during the pandemic, maintaining high rent collections and stable cash flow, exhibiting the defensive nature of its mid-market housing portfolio. Yet, a prolonged recession is likely to negatively affect Killam Apartments along with the rest of its residential real estate peers.

Final Thoughts & Recommendation

Killam is a high-quality, resilient residential REIT with stable fundamentals and disciplined financial management, but with only modest FFO/share growth ahead, the story is increasingly one of steady income and gradual value creation rather than outsized upside. We forecast annualized returns of 5.8% through 2031, to be driven mainly by the starting dividend yield and modest growth expectations, partially offset by a soft valuation headwind. We rate the stock a hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	131	133	145	167	187	196	233	254	256	265
Gross Profit	77	80	89	105	119	123	147	160	164	174
Gross Margin	58.9%	59.9%	61.2%	62.6%	63.5%	62.7%	62.9%	62.9%	63.9%	65.5%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	1	1	1	1	1	1	0	0	0	1
Operating Profit	68	65	72	88	97	117	112	171	144	162
Operating Margin	51.9%	48.6%	50.0%	52.8%	51.8%	59.9%	47.9%	67.4%	56.3%	61.1%
Net Profit	28	54	81	135	214	109	228	94	197	487
Net Margin	21.3%	40.5%	55.7%	80.8%	114.2%	55.7%	97.8%	37.1%	77.0%	183.8%
Free Cash Flow	14	23	40	32	16	40	51	24	31	48
Income Tax	5	(21)	14	24	31	7	34	14	25	(204)

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,351	1,482	1,845	2,068	2,607	2,964	3,625	3,587	3,856	3,783
Cash & Equivalents	15	24	16	8	15	7	6	8	12	10
Accounts Receivable										
Inventories	0	0	0	0	0	0	0	3	4	0
Total Liabilities	857	923	1,072	1,212	1,371	1,576	1,953	1,909	1,974	1,634
Accounts Payable										
Long-Term Debt	749	779	869	946	1,116	1,288	1,599	1,515	1,658	1,495
Shareholder's Equity	482	560	772	856	1,236	1,388	1,671	1,678	1,883	2,148
LTD/E Ratio	1.56	1.42	1.17	1.20	0.92	0.96	1.02	1.00	0.91	0.71

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.9%	3.8%	4.9%	6.9%	9.1%	3.9%	6.9%	2.6%	5.3%	12.8%
Return on Equity	5.3%	10.2%	12.1%	16.6%	20.4%	8.3%	14.9%	5.6%	11.1%	24.2%
ROIC	2.1%	4.2%	5.3%	7.6%	10.0%	4.3%	7.5%	2.8%	5.7%	13.4%
Shares Out.	62.4	73.4	78.7	87.2	97.9	103.2	111.6	119.7	121.7	123.1
Revenue/Share	1.82	1.82	1.84	1.92	1.95	1.87	2.09	2.12	2.11	2.15
FCF/Share	0.20	0.31	0.51	0.37	0.17	0.38	0.46	0.20	0.25	0.39

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