



Federal Realty Investment Trust (FRT)

Updated March 2nd, 2026 by Samuel Smith

Key Metrics

Current Price:	\$109	5 Year CAGR Estimate:	4.3%	Market Cap:	\$9.4 B
Fair Value Price:	\$89	5 Year Growth Estimate:	4.3%	Ex-Dividend Date:	4/1/26
% Fair Value:	122%	5 Year Valuation Multiple Estimate:	-1.4%	Dividend Payment Date:	4/15/26
Dividend Yield:	4.1%	5 Year Price Target	\$110	Years Of Dividend Growth:	58
Dividend Risk Score:	B	Sector:	Real Estate	Rating:	Hold

Overview & Current Events

Federal Realty Investment Trust is a premier retail REIT that owns, operates, and develops high-quality retail and mixed-use properties in nine major metropolitan markets across the United States. The company's portfolio comprises 103 properties encompassing approximately 27.9 million commercial square feet with roughly 3,600 tenants, along with approximately 3,000 residential units. Federal Realty specializes in grocery-anchored shopping centers, superregional centers, power centers, and mixed-use urban destinations in high-density, affluent communities. Notable properties include Santana Row, Pike and Rose, and Assembly Row. The company holds the longest record of consecutive annual dividend increases in the REIT industry.

On February 12, 2026, Federal Realty Investment Trust reported fourth-quarter 2025 results that significantly exceeded expectations. Revenue of \$336.05 million came in 3.0 percent above forecasts, while net income per diluted share of \$1.48 was nearly double the anticipated \$0.75, and NAREIT FFO per diluted share rose 6.4 percent to \$1.84, with full-year 2025 NAREIT FFO up 6.6 percent to \$7.22 per share, underscoring strong earnings momentum. Operational performance was particularly impressive, as the company achieved record leasing activity of 2.5 million square feet of retail space and generated its strongest comparable rent spreads in over a decade at 15 percent on a cash basis and 27 percent on a straight line basis, reflecting robust tenant demand and pricing power. Portfolio occupancy reached 94.5 percent with a 96.6 percent leased rate, further highlighting the attractiveness of Federal Realty's open-air shopping centers and mixed-use properties. The company also executed on strategic growth initiatives, deploying \$340 million into acquisitions that added nearly one million square feet and committing \$280 million to new residential development projects, while continuing to reward shareholders by extending its sector-leading dividend growth streak to 58 consecutive years. For 2026, management guided NAREIT FFO to a range of \$7.42 to \$7.52 per diluted share, implying 5 to 6 percent growth and signaling confidence in sustaining positive trends. On the cautious side, Federal Realty completed \$169 million of dispositions in the quarter and expects another \$170 million in the first half of 2026 as part of its capital recycling strategy, and the broader retail REIT sector remains exposed to interest rate volatility and macroeconomic cycles that could pressure tenant performance, leasing demand, and valuation multiples.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO	\$110.4	\$5.91	\$6.23	\$6.33	\$4.52	\$5.57	\$6.32	\$6.55	\$6.77	\$7.22	\$7.45	\$9.20
DPS	\$3.84	\$3.96	\$4.04	\$4.20	\$4.22	\$4.26	\$4.32	\$4.34	\$4.38	\$4.43	\$4.52	\$5.00
Shares¹	72.1	73.2	74.4	75.7	76.7	78.6	81.4	83.0	85.7	86.6	86.3	85.0

We use funds-from-operations (FFO) instead of earnings-per-share for REITs, as the latter is messy and uninformative for this industry. Prior to 2020, Federal Realty's funds-from-operations had not dipped year-over-year at any point in the past decade, a tremendously impressive feat given that the trust operates in the highly cyclical real estate sector.

While growth numbers have not always been impressive, the simple fact that it has such a consistent track record of safety and stability when it comes to funds from operations and dividends per share makes it one of the most desirable

¹ Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



Federal Realty Investment Trust (FRT)

Updated March 2nd, 2026 by Samuel Smith

REITs in the market. Federal Realty's growth moving forward will be comprised of a continuation of higher rent rates on new leases and its impressive development pipeline, fueling asset base expansion. Margins are expected to continue to rise slightly as it redevelops pieces of its portfolio and same-center revenue continues to move higher. Moving forward, we expect FFO/share to grow at a mid-single-digit pace. We also expect Federal Realty to continue increasing its streak of 58 consecutive years of dividend increases.

Valuation Analysis

Year	4.3	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/FFO	27.2	27	22.9	19.6	20.7	16.2	24.6	13.9	14.2	13.3	14.6	12.0
Avg. Yld.	2.5%	2.5%	2.8%	3.4%	4.5%	4.7%	2.8%	4.8%	4.6%	4.6%	4.1%	4.5%

Federal Realty's valuation now stands at 14.6 times our 2025 FFO estimate, which is above our fair value estimate of 12 times FFO. That said, we expect the payout ratio to continue to trend downward moving forward as the company will be focusing on strengthening its portfolio and balance sheet moving forward, so the dividend yield will likely remain around 4.5% over time.

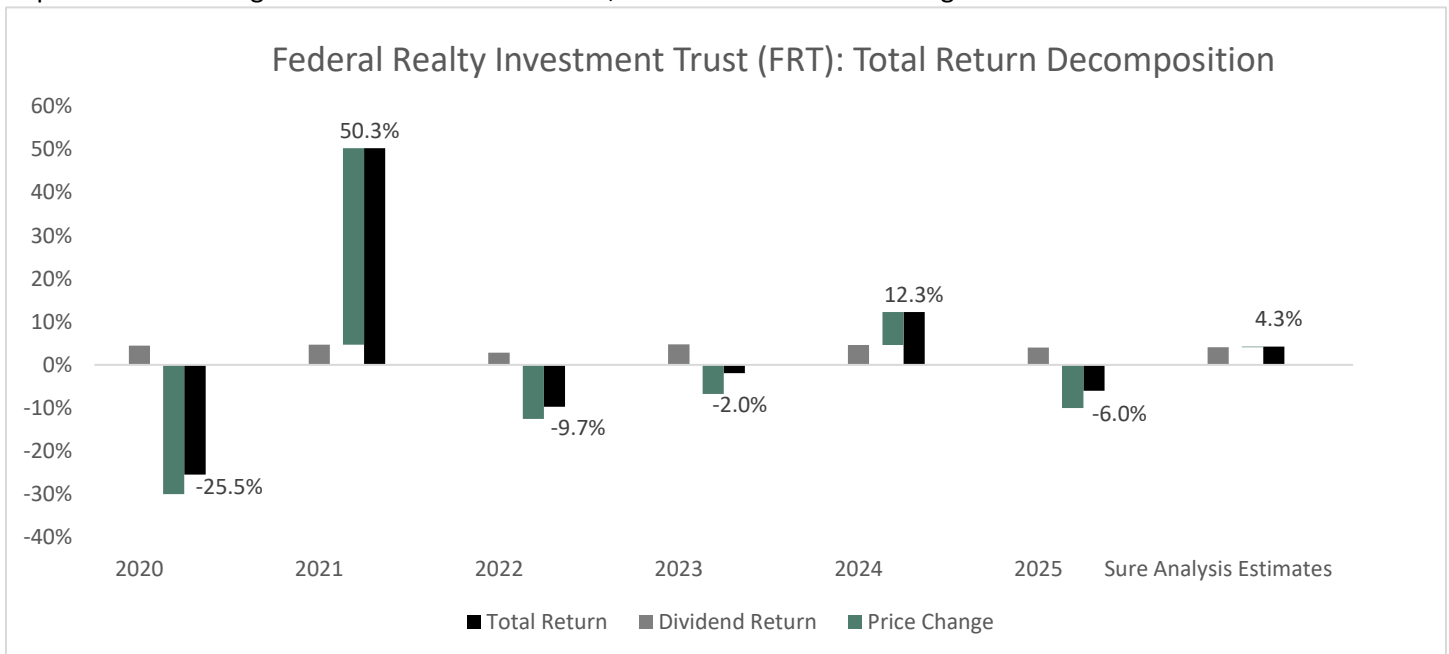
Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	68%	67%	65%	66%	93%	76%	68%	66%	65%	61%	61%	54%

Federal Realty's payout ratio has been pretty steady in the past decade, and we do not see that changing. The preferred mix of dividend payments as a percentage of FFO is two-thirds, and that is where we see the dividend in the coming years. Federal Realty's dividend payment is still considered moderately safe and should continue to be raised for many years to come. Federal Realty's competitive advantages include its superior development pipeline, its focus on high-income, high-density areas, and its decades of experience in running a world-class REIT. These qualities allow it to perform admirably, and even grow through recessions, when some of its lesser peers struggle to keep the lights on.

Final Thoughts & Recommendation

We are forecasting total annualized returns of 4.3% going forward. Federal Realty is a high-quality name that has an impressive dividend growth track record. However, we rate the REIT as a Hold given its mediocre total return outlook.



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



Federal Realty Investment Trust (FRT)

Updated March 2nd, 2026 by Samuel Smith

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	781	834	887	912	811	951	1,074	1,132	1,202	1,279
Gross Profit	357	371	388	397	290	355	415	447	468	492
Gross Margin	45.7%	44.5%	43.8%	43.5%	35.8%	37.3%	38.7%	39.5%	38.9%	38.5%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	194	216	244	240	255	280	302	322	343	368
Operating Profit	321	332	350	355	249	305	363	397	418	460
Operating Margin	41.1%	39.8%	39.4%	38.9%	30.7%	32.1%	33.8%	35.0%	34.8%	35.9%
Net Profit	258	297	248	360	135	268	394	246	303	422
Net Margin	33.0%	35.6%	28.0%	39.4%	16.6%	28.2%	36.7%	21.7%	25.2%	33.0%
Free Cash Flow	(14)	(58)	149	55	(131)	34	107	255	333	335

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	5,423	6,276	6,290	6,795	7,608	7,622	8,234	8,437	8,525	9,130
Cash & Equivalents	23	15	64	127	798	162	86	251	123	107
Goodwill	25	54	47	47	42	73	12	33	8	16
Total Liabilities	3,204	3,743	3,686	4,019	4,921	4,745	5,022	5,211	5,100	5,630
Long-Term Debt	2,959	3,501	3,363	3,621	4,549	4,359	4,645	4,854	4,722	5,225
Shareholder's Equity	1,967	2,107	2,186	2,375	2,304	2,421	2,794	2,804	3,012	3,089
LTD/E Ratio	1.50	1.54	1.43	1.43	1.85	1.69	1.57	1.64	1.49	1.61

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	5.0%	5.1%	3.9%	5.5%	1.9%	3.5%	5.0%	3.0%	3.6%	4.8%
Return on Equity	12.5%	12.5%	9.7%	13.4%	4.9%	9.6%	13.0%	7.6%	9.1%	12.2%
ROIC	5.3%	5.3%	4.1%	5.8%	2.0%	3.7%	5.2%	3.1%	3.7%	5.0%
Shares Out.	72.1	73.2	74.4	75.7	76.7	78.6	81.4	83.0	85.7	86.6
Revenue/Share	11.00	11.55	12.10	12.20	10.73	12.29	13.34	13.92	14.39	14.80
FCF/Share	(0.20)	(0.80)	2.03	0.73	(1.73)	0.44	1.33	3.13	3.98	3.88

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

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.