Morguard North American Residential REIT (MNARF)

Updated March 1st, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$13.77	**5 Year Annual Expected Total Return :**	3.3%	**Market Cap:**	$717 M
Fair Value Price:	$11.25	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	02/27/2026
% Fair Value:	122%	**5 Year Valuation Multiple Estimate:**	-4.0%	**Dividend Payment Date:**	03/16/2026
Dividend Yield:	4.2%	**5 Year Price Target**	$13.04	**Years Of Dividend Growth:**	4
Dividend Risk Score:	D	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Morguard North American Residential Real Estate Investment Trust (MNARF) is a Canadian-listed multi-family residential REIT that owns and operates a diversified portfolio of rental apartment communities across Canada and the U.S. As of December 31st, 2025, the REIT owned interests in 43 residential properties comprising 13,089 suites, with about 41% of suites located in Canada and 59% in the U.S., providing geographic and economic diversification.

The Canadian portfolio is heavily weighted toward Ontario, particularly Toronto and Mississauga, while the U.S. portfolio spans high-population-growth states such as Illinois, Florida, Texas, Georgia, and Colorado. MNARF focuses on mid-market, necessity-based rental housing. The REIT generated $259 million in revenues last year. It pays dividends on a monthly basis and is currently trading at a market cap of $666 million. The REIT reports its financials in CAD. All figures in this report have been converted to USD unless otherwise noted.

On February 10th, 2026, MNARF reported its full year results for the year ended December 31st, 2025, with revenue from real estate properties of $259 million, up 3.0% year over year, driven by rental rate increases and favorable foreign exchange movements. Net operating income increased 4.6% year over year to $138.5 million, supported by stronger U.S. operating performance and higher AMR, partially offset by higher vacancy and operating expenses in Canada.

Portfolio fundamentals showed continued rental growth, with average monthly rent up 4.5% in Canada to $1,351 and 1.2% in the U.S. to $1,930, while occupancy averaged 93.3% in Canada and 91.3% in the U.S. at year end. FFO per Unit (diluted) increased to $1.31. For FY2026, we forecast FFO per share of $1.25.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO	$0.89	$0.91	$0.86	$0.92	$0.90	$0.88	$1.06	$1.23	$1.14	$1.31	***$1.25***	***$1.45***
DPS	$0.45	$0.51	$0.49	$0.53	$0.55	$0.55	$0.52	$0.55	$0.52	$0.56	***$0.58***	***$0.67***
Shares[1]	29.3	33.7	33.7	39.0	39.0	39.1	39.1	37.7	36.3	34.9	***34.9***	***35.0***

MNARF achieved moderate FFO per share growth of 4.4% per year between 2016 and 2025. Specifically, in 2016 and 2017, MNARF's FFO per share trended higher as the REIT benefited from portfolio expansion, improving rental metrics, and operational efficiencies across both Canada and the U.S. There was rising occupancy, steady rent increases on turnover, and contributions from acquisitions, particularly in U.S. markets with favorable demographic trends.

In the years 2018 through 2021, FFO/share became more uneven, due to a mix of solid property-level performance and external pressures. While same-property NOI continued to grow through rent increases and disciplined cost control, results were periodically weighed down by higher interest expense, FX movements, and high operating costs, especially during the pandemic. In 2020 and 2021, management noted that COVID-related costs, temporary rent relief, and slower turnover activity moderated growth, even as residential demand proved resilient and occupancy remained high.

From 2022 through 2025, FFO per Unit grew strongly, driven by post-pandemic rent increases, higher turnover rents, and tight housing supply across Canada and the U.S., with particularly strong same-property NOI gains in 2022 and 2023. Growth continued in 2024 and 2025, though at a more measured pace, as higher refinancing costs, softer occupancy in

[1] Share count is 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.

select markets, and rising operating and property tax expenses partially offset continued growth in average monthly rent and solid rental demand.

Moving forward, we expect FFO per share growth of 3% to be driven by rent growth and high occupancy, partially offset by higher interest and operating costs. We forecast the same growth for the dividend, which the company has grown for four consecutive years in CAD terms. The REIT has never cut its monthly dividend since it started paying it in 2012.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/FFO	11.2	12.7	14.5	14.1	12.2	15.9	13.2	8.9	10.5	9.6	***11.0***	***9.0***
Avg. Yld.	4.5%	4.4%	3.9%	4.1%	5.0%	3.9%	3.7%	5.0%	4.3%	4.4%	***4.2%***	***5.2%***

MNARF has traded within a very narrow valuation range over the past decade, averaging just over 12x FFO. Today, the REIT trades at 11x this year's expected FFO. We believe a modest discount is fair, given that investors should require a higher yield to pair low-single digit FFO/share growth expectations. This is why we have set our fair multiple at an even lower 9x. It might be a conservative estimate, but a fair one, in our view.

Safety, Quality, Competitive Advantage, & Recession Resiliency

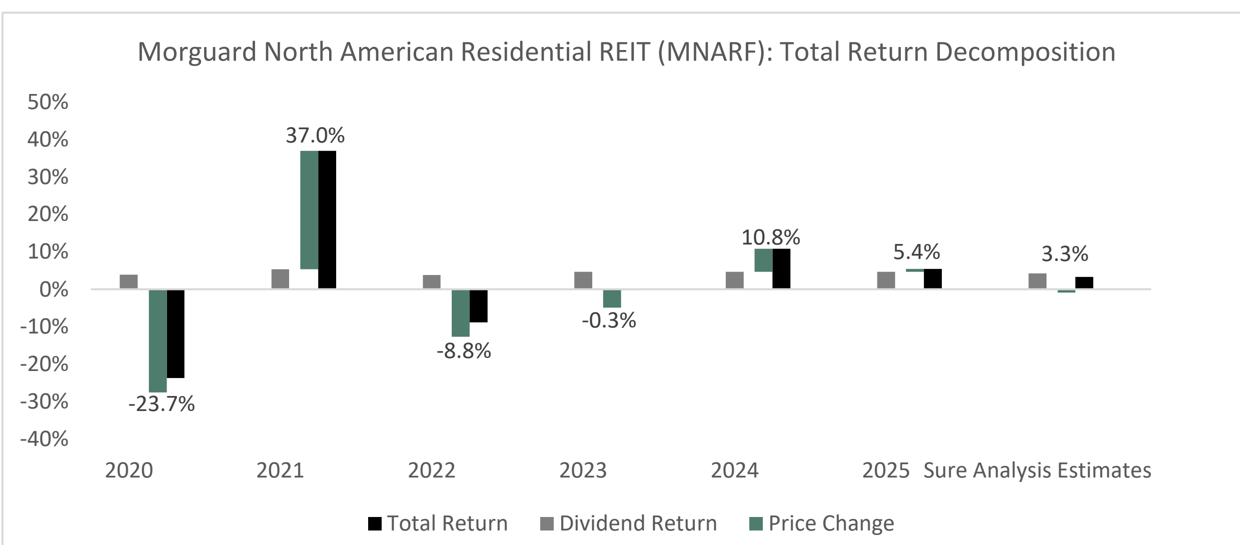
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	51%	56%	57%	58%	61%	63%	49%	45%	46%	43%	***46%***	***46%***

MNARF has a well-diversified North American residential portfolio, consistently high occupancy, and a healthy dividend payout ratio at 46%, which provides meaningful buffer to cash flow volatility. The REIT's low leverage of 39.5% relative to peers reduces refinancing risk, while its focus on mid-market rental housing supports stable demand across cycles. Also, MNARF has never cut its dividend since 2012, proving its resilience through various economic environments. That said, a prolonged down turn in residential real estate should still negatively impact the REIT's results.

Final Thoughts & Recommendation

MNARF offers a defensively positioned residential portfolio with conservative leverage and a strong distribution track record, making it a solid income-oriented holding with moderate growth potential. We forecast annualized returns of 3.3% over the next five years, to be powered by the starting dividend yield and our growth estimate, offset by potential valuation headwinds. MNARF earns a hold rating only due to its recently established dividend growth track record.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	155	165	174	186	185	185	196	214	246	251
Gross Profit	75	79	87	93	91	92	94	103	119	118
Gross Margin	48.4%	48.2%	49.6%	49.9%	49.2%	49.5%	47.9%	48.3%	48.5%	47.0%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.										
Operating Profit	33	5	30	21	71	124	67	123	137	87
Operating Margin	21.1%	3.0%	17.0%	11.1%	38.5%	66.7%	34.3%	57.4%	55.8%	34.6%
Net Profit	31	24	133	135	60	124	195	184	137	73
Net Margin	20.0%	14.6%	76.4%	72.4%	32.6%	67.1%	99.8%	86.0%	55.9%	28.9%
Free Cash Flow	33	40	46	46	47	37	51	58	66	71
Income Tax	26	25	(15)	18	5	(2)	52	54	6	10

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,555	1,704	2,116	2,205	2,339	2,421	2,750	2,904	3,106	3,179
Cash & Equivalents	13	14	28	22	21	29	30	76	17	39
Accounts Receivable										
Inventories	-	-	-	-	-	-	-	-	-	-
Goodwill & Int. Ass.	-	-	-	-	-	-	-	-	-	-
Total Liabilities	1,062	1,194	1,383	1,379	1,394	1,363	1,514	1,534	1,620	1,710
Accounts Payable										
Long-Term Debt	850	913	1,076	1,036	1,023	1,023	1,096	1,095	1,186	1,246
Shareholder's Equity	472	487	650	746	876	997	1,694	1,294	1,405	1,392
LTD/E Ratio	1.80	1.88	1.66	1.40	1.17	1.03	0.93	0.85	0.84	0.90

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.0%	1.5%	7.0%	6.2%	2.7%	5.2%	7.6%	6.5%	4.6%	2.3%
Return on Equity	6.3%	4.8%	21.5%	17.3%	6.8%	12.4%	17.0%	14.1%	9.6%	4.9%
ROIC	2.3%	1.7%	8.3%	7.3%	3.1%	6.1%	8.8%	7.7%	5.3%	2.7%
Shares Out.	29.3	29.3	33.7	33.7	39.0	39.0	39.1	39.1	37.7	36.3
Revenue/Share	3.08	5.63			3.25	3.07	3.24	3.53	4.20	4.43
FCF/Share	0.66	1.36			0.83	0.62	0.84	0.95	1.13	1.26

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