Granite Real Estate Investment Trust (GRTUF)

Updated May 8th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$69	**5 Year Annual Expected Total Return:**	4.8%	**Market Cap:**	$4.10 B
Fair Value Price:	$63	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	04/30/26
% Fair Value:	110%	**5 Year Valuation Multiple Estimate:**	-1.8%	**Dividend Payment Date:**	05/15/26
Dividend Yield:	3.8%	**5 Year Price Target**	$73	**Years Of Dividend Growth:**	15
Dividend Risk Score:	D	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Granite REIT is a Canadian-based real estate investment trust that spun off from automotive component manufacturer MI Developments in 2003. The Trust focuses on the acquisition, development, ownership, leasing, and management of industrial properties in North America and Europe. As of Q1 2026, Granite's portfolio comprised 145 investment properties totaling about 61.5 million square feet of gross leasable area. Magna International remained Granite's largest tenant, accounting for about 20% of total GLA and 27% of annualized revenue. Granite REIT is listed on the TSX under GRT.UN. Following its voluntary delisting from the NYSE, its U.S. ticker changed from GRP.U to GRTUF on the OTCQX market. The REIT has a market cap of $3.82 billion. The REIT reports in CAD but our figures have been converted to USD.

On December 27th, 2025, Granite raised its dividend by 4.4% to a monthly rate of C$0.2958.

On May 6th, 2026, Granite REIT reported its Q1 results for the period ending March 31st, 2026. Revenue for the quarter was about $121 million, up from about $113 million in Q1 2025. This growth was driven by contractual rent adjustments and CPI-based increases, new and renewal leasing activity in Canada and the U.S, and contributions from acquisitions completed in the United States and the United Kingdom beginning in Q2 2025, partially offset by dispositions completed since Q4 2025. Overall occupancy was 97.5%, up from 94.8% a year earlier, due to continued leasing demand and solid execution across Granite's logistics portfolio.

FFO/unit came in at $1.14, up from $1.06 last year. This increase was driven by higher NOI, supported by leasing activity, contractual rent adjustments, CPI-based rent growth, and acquisition contributions, partially offset by dispositions and an unfavorable foreign-exchange impact of roughly $0.01 per unit. For FY2026, we expect FFO/unit of $4.64.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO/Unit	$2.37	$2.59	$2.70	$2.79	$3.13	$3.11	$3.27	$3.75	$3.78	$4.31	***$4.64***	***$5.38***
DPU	$1.81	$2.08	$2.00	$2.16	$2.29	$2.38	$2.31	$2.42	$2.31	$2.49	***$2.59***	***$3.00***
Units[1]	47.1	46.9	45.7	54.1	61.7	65.7	63.7	63.4	62.7	60.6	***62.7***	***75.0***

Granite's FFO/unit was somewhat soft in 2016 and 2017, as the REIT was still transitioning its portfolio, with gains from modest leasing and acquisitions offset by FX impacts and one-time items. From 2018 onward, a new strategic capital deployment approach began to show results. Granite significantly rebalanced its portfolio through major dispositions of non-core and Magna-tenanted assets, reinvesting the proceeds into modern logistics facilities in the U.S. and Europe, which began contributing more meaningfully to income growth.

The next two years marked a key inflection point. Granite ramped up acquisitions in high-demand e-commerce markets and launched several development projects while maintaining strong occupancy and lowering its Magna exposure. This not only supported a steady rise in rental income but also improved portfolio quality. In 2020, despite the pandemic, the REIT maintained 100% rent collection and benefited from rising market rents and yield-accretive acquisitions, resulting in a noticeable jump in FFO/unit.

[1] In millions

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In 2021 and 2022, Granite continued to grow via both acquisitions and a major push into development, adding millions of square feet of modern logistics space. Still, growth in FFO/unit was moderated by equity issuance and the impact of a stronger Canadian dollar on its European income. FFO/unit increased sharply in 2023 and 2024, supported by new developments, SPNOI growth, and rising rental rates. That strength continued in 2025, with higher FFO/unit driven by SPNOI growth, improved occupancy, and strong leasing activity. We believe Granite can grow its FFO/unit at a 3% CAGR through 2031, as we are wary of potential FX headwinds against its same-store revenue growth prospects.

Granite has paid a monthly dividend has increased its dividend every year since 2010 following the cut during the Great Financial Crisis. Since 2013, the dividend has been paid monthly. We also expect the dividend to grow at a CAGR of 3%.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	14.1	15.9	14.5	17.1	11.7	15.6	21.7	10.0	10.9	11.9	***14.8***	***13.5***
Avg. Yld.	5.7%	5.5%	5.3%	4.1%	6.3%	4.9%	3.3%	6.5%	5.6%	4.8%	***3.8%***	***4.1%***

Granite's average P/FFO has oscillated around its historic average of about 14x. Today, the REIT is trading at about 14.8x our FFO/unit estimate for the year, which is above our stated fair multiple of 13.5x. We believe shares may experience a valuation headwind ahead, as a result. The yield now hovers at 3.8%, above its industrial REIT U.S. peers.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	76%	80%	74%	77%	73%	77%	71%	65%	61%	58%	***56%***	***56%***

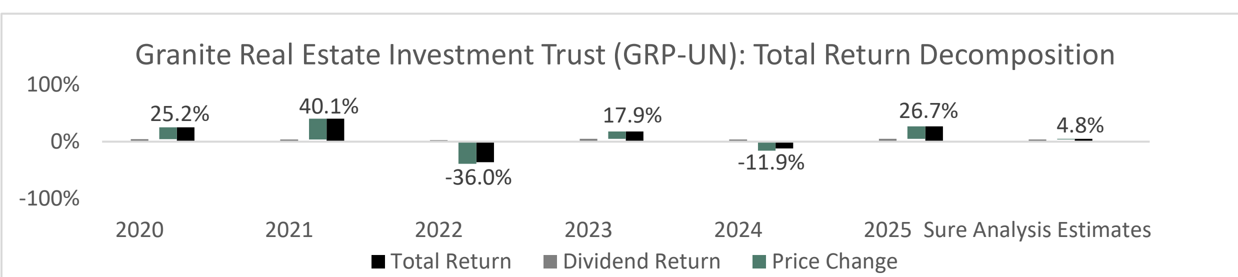
Granite has steadily reduced its reliance on Magna, which now accounts for 27% of annualized revenue and 20% of gross leasable area, down from over 80% a decade ago. This shift reflects the trust's long-term strategy to diversify its tenant base and focus on acquiring modern logistics properties while disposing of older, special-purpose assets. The portfolio today consists largely of high-quality, general-purpose distribution properties in strong North American and European markets, leased to a wide range of tenants. Occupancy remains strong at about 98%, and leasing spreads on renewals continue to show double-digit growth.

While Granite hasn't operated through a major recession in its current form, it did suffer during the Great Financial Crisis and was forced to slash its dividend. However, Granite thrived during the pandemic. Also, its conservative balance sheet (33% leverage), long lease terms, and focus on essential logistics space should offer a degree of resiliency in a downturn.

Final Thoughts & Recommendation

Overall, Granite offers a strong blend of stable cash flow, high-quality logistics assets, and disciplined growth. We believe that its ongoing tenant diversification, strong balance sheet, and development pipeline position it well for long-term value creation. We also highlight its dividend growth track record and attractive frequency of payouts. Our annualized total return outlook through 2031 comes in at 4.8%, to be powered primarily by the starting dividend yield and our modest growth expectations, offset by the possibility of a valuation headwind. We rate Granite as a hold.

Total Return Breakdown by Year



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.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	169	189	191	206	254	314	350	386	415
Gross Profit	163	165	167	180	219	265	292	322	344
Gross Margin	96.6%	87.2%	87.5%	87.1%	86.1%	84.5%	83.5%	83.5%	82.9%
SG&A Exp.	21	20	23	23	24	30	22	30	27
D&A Exp.	1	0	0	1	1	1	1	1	1
Operating Profit	141	140	144	155	194	234	268	291	318
Operating Margin	83.7%	74.0%	75.5%	75.3%	76.3%	74.5%	76.7%	75.3%	76.5%
Net Profit	211	276	359	288	321	1,045	120	101	263
Net Margin	125.0%	146.2%	188.0%	139.6%	126.3%	332.9%	34.2%	26.2%	63.4%
Free Cash Flow	106	58	96	115	185	209	213	232	247
Income Tax	36	10	41	32	52	192	(49)	(7)	23

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	2,160	2,550	3,075	3,678	5,291	6,719	6,838	6,834	6,703
Cash & Equivalents	183	55	483	229	652	316	100	88	88
Accounts Receivable	1	2	3	6	5	8	9	9	13
Total Liabilities	713	850	1,242	1,268	2,216	2,545	2,800	2,851	2,706
Accounts Payable	4	5	4	5	3	6	8	9	9
Long-Term Debt	480	541	880	909	1,708	1,903	2,236	2,311	2,145
Shareholder's Equity	1,445	1,699	1,832	2,408	3,074	4,171	4,034	3,978	3,991
LTD/E Ratio	0.33	0.32	0.48	0.38	0.56	0.46	0.55	0.58	0.54

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	10.2%	11.7%	12.8%	8.5%	7.2%	17.4%	1.8%	1.5%	3.9%
Return on Equity	15.1%	17.5%	20.3%	13.6%	11.7%	28.8%	2.9%	2.5%	6.6%
ROIC	11.5%	13.2%	14.5%	9.5%	7.9%	19.2%	1.9%	1.6%	4.2%
Shares Out.	47.1	46.9	45.7	54.1	61.7	65.7	63.7	63.4	62.7
Revenue/Share	3.58	4.03	4.18	3.81	4.12	4.78	5.50	6.09	6.62
FCF/Share	2.25	1.23	2.10	2.13	3.00	3.18	3.34	3.66	3.94

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