Mid-America Apartment Communities (MAA)

Updated May 5th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$129	**5 Year CAGR Estimate:**	11.2%	**Market Cap:**	$15.3 B
Fair Value Price:	$152	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date[1]:**	7/14/2026
% Fair Value:	85%	**5 Year Valuation Multiple Estimate:**	3.4%	**Dividend Payment Date:**	7/30/2026
Dividend Yield:	4.7%	**5 Year Price Target**	$185	**Years Of Dividend Growth:**	15
Dividend Risk Score:	D	**Sector:** REITs		**Rating:**	Hold

Overview & Current Events

Mid-America Apartment Communities (MAA) is a real estate investment trust (REIT) that owns, operates and acquires apartment communities in the Southeast, Southwest and mid-Atlantic regions of the U.S. Founded in 1977, it currently has ownership interest in 104,629 apartment units across 16 states and the District of Columbia and has a market capitalization of $15.3 billion. MAA aims to offer superior returns to its shareholders by focusing on the Sunbelt Region of the U.S., which has exhibited superior population growth and economic growth in the long run.

In late April, MAA reported (4/29/26) financial results for the first quarter of fiscal 2026. Same-store net operating income edged down -1.3% over the prior year's quarter. Core funds from operations (FFO) per share dipped -3%, from $2.30 to $2.23, in line with the analysts' consensus. MAA has missed the analysts' FFO estimates only in 3 of the last 34 quarters. MAA has decelerated in the last 11 quarters due to high supply of new apartments in its markets but the volume of new apartments has begun to lose steam, with fewer new apartments expected this year. Nevertheless, due to weak business momentum, MAA reaffirmed its lackluster guidance for 2026, expecting core FFO per share of $8.37-$8.69, thus implying a -2% decrease at the mid-point. MAA has repeatedly proved conservative in its guidance and tends to raise its guidance many times throughout the year. Nevertheless, for the sake of conservatism, we assume FFO per share of $8.60 this year, only 1% above the mid-point of the guidance.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO	$5.88	$6.15	$6.27	$6.79	$6.43	$7.01	$8.50	$9.39	$8.77	$8.74	***$8.60***	***$10.46***
DPS	$3.28	$3.48	$3.69	$3.84	$4.00	$4.10	$4.68	$5.60	$5.88	$6.06	***$6.12***	***$7.30***
Shares[2]	78.8	113.7	113.8	114.1	114.5	118.6	118.6	119.8	120.0	119.8	***120.0***	***150.0***

MAA has benefited from its focus on the Sunbelt Region of the U.S., which has enjoyed higher economic growth than the rest of the country. About 60% of all the domestic moves occurred in the markets of MAA in the last nine years. MAA has grown its FFO per share at a 4.5% average annual rate over the last decade. Growth stumbled in 2020 due to the pandemic, but the pandemic has subsided and thus MAA has recovered. MAA has ample room to expand its asset portfolio while it will also grow its bottom line by enhancing the value to its customers via the rollout of smart home technology in its units. MAA has already installed smart home technology in more than 50,000 units. Overall, we have assumed that the REIT will grow its FFO per share at a 4.0% average annual rate over the next five years, roughly in line with its historical growth rate.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg P/FFO	16.4	16.7	15.3	17.5	18.7	24.7	21.3	15.4	16.4	16.9	***15.0***	***17.7***
Avg. Yld.	3.4%	3.4%	3.8%	3.2%	3.3%	2.4%	2.6%	3.9%	4.1%	4.1%	***4.7%***	***3.9%***

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[1] Estimated date.

[2] In millions.

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MAA is currently trading at a P/FFO ratio of 15.0, which is lower than the historical 10-year average of 17.7. If the stock trades at its average valuation level in five years, it will enjoy a 3.4% annualized gain in its returns.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	55.8%	56.6%	58.9%	56.6%	62.2%	58.5%	55.1%	59.6%	67.0%	69.3%	***71.2%***	***69.8%***

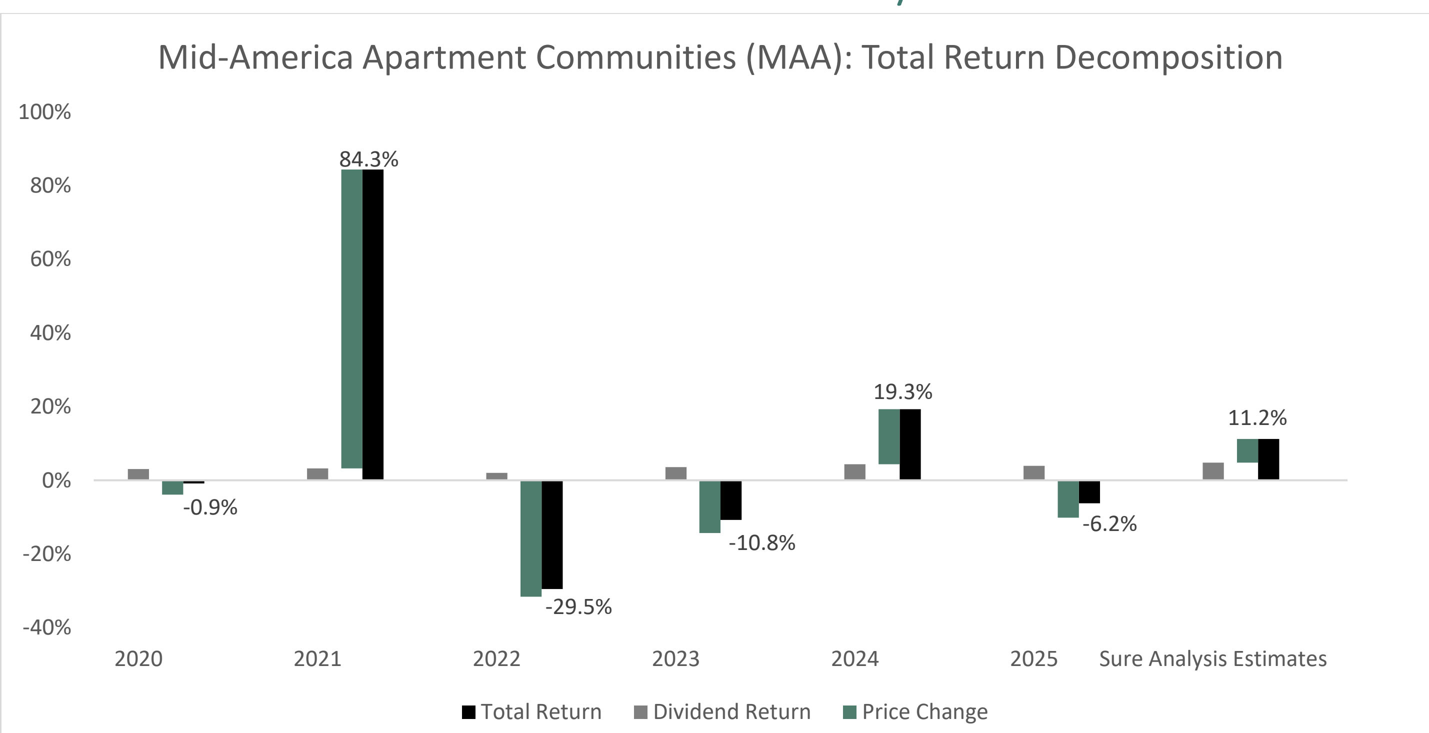
MAA heavily dilutes its shareholders on a regular basis. Its share count has more than tripled over the last 14 years, from 32 million in 2010 to 120 million now. This is a point of concern but the REIT has grown its FFO at a higher rate and thus it has exhibited a decent growth record. MAA has also raised its dividend for 15 consecutive years and has a healthy payout ratio of 71%. It also has one of the strongest balance sheets in the REIT universe, with net debt of $6.2 billion, which is approximately six times the annual FFO. As a result, the 4.7% dividend of MAA is not likely to be cut in the absence of a severe downturn.

It is also worth noting that MAA proved markedly resilient to the recession caused by the pandemic, posting just a -5% decrease in its FFO per share in 2020 while it collected the vast portion of its billings. Therefore, MAA appears much more resilient to recessions than most REITs, which have significant exposure to companies and individuals who are vulnerable to recessions.

Final Thoughts & Recommendation

MAA has declined -22% in the last 12 months, primarily due to lackluster business performance. We expect the REIT to return to growth mode in the upcoming years and also benefit from the interest rate cutting cycle, on which the Fed has embarked in recent months. Lower interest rates are favorable, as they reduce interest expense. The stock could offer an 11.2% average annual return over the next five years thanks to 4.0% annual growth of FFO per share, its 4.7% dividend and a 3.4% valuation tailwind. The stock maintains its hold rating. Overall, MAA is attractive for patient, income-oriented investors thanks to its reliable growth strategy, its healthy payout ratio and its strong balance sheet.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,125	1,529	1,571	1,641	1,678	1,778	2,020	2,148	2,191	2,209
Gross Profit	345	415	439	476	527	573	753	815	713	674
Gross Margin	30.7%	27.1%	28.0%	29.0%	31.4%	32.3%	37.3%	37.9%	32.6%	30.5%
SG&A Exp.	29	40	35	46	99	109	124	126	57	---
D&A Exp.	323	495	491	498	512	534	544	566	586	623
Operating Profit	316	375	405	430	428	465	629	689	657	621
Op. Margin	28.1%	24.5%	25.7%	26.2%	25.5%	26.1%	31.1%	32.1%	30.0%	28.1%
Net Profit	212	328	223	354	255	534	637	553	528	456
Net Margin	18.9%	21.5%	14.2%	21.6%	15.2%	30.0%	31.5%	25.7%	24.1%	20.7%
Free Cash Flow	301	317	480	478	397	615	762	598	776	718

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	11,604	11,492	11,324	11,230	11.195	11,285	11,241	11,485	11,812	11,975
Cash & Equivalents	34	11	34	20	25	54	39	41	43	74
Total Liabilities	4,962	4,918	4,952	4,941	5,091	5,101	5,031	5,185	5,665	6,136
Long-Term Debt	4,500	4,502	4,528	4,455	4,563	4,517	4,415	4,540	4,981	4,751
Shareholder's Equity	6,404	6,340	6,150	6,069	5,872	5,995	6,026	6,113	5,964	5,683
LTD/E Ratio	0.70	0.71	0.74	0.73	0.78	0.75	0.73	0.74	0.84	0.96

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	2.3%	2.8%	2.0%	3.1%	2.3%	4.7%	5.7%	4.9%	4.5%	3.8%
Return on Equity	4.5%	5.2%	3.6%	5.8%	4.3%	9.0%	10.6%	8.8%	8.5%	7.6%
ROIC	2.4%	3.0%	2.0%	3.3%	2.4%	5.0%	6.0%	5.2%	4.8%	4.1%
Shares Out.	78.8	113.7	113.8	114.1	114.5	118.6	115.6	116.6	116.8	117.2
Revenue/Share	14.28	13.45	13.80	14.38	14.15	15.46	17.48	18.42	18.76	18.86
FCF/Share	3.82	2.79	4.21	4.19	3.35	5.18	6.60	5.13	6.64	6.13

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