Primaris Real Estate Investment Trust (PMREF)

Updated May 1st, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$14.00	**5 Year Annual Expected Total Return:**	3.1%	**Market Cap:**	$1.63 B
Fair Value Price:	$12.33	**5 Year Growth Estimate:**	1.0%	**Ex-Dividend Date:**	04/30/2026
% Fair Value:	114%	**5 Year Valuation Multiple Estimate:**	-2.5%	**Dividend Payment Date:**	05/15/2026
Dividend Yield:	4.6%	**5 Year Price Target**	$12.96	**Years Of Dividend Growth:**	4[1]
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Primaris REIT is Canada's only enclosed shopping centre focused REIT, with a portfolio of 34 properties totaling 15.1 million square feet and valued at about US$3.8 billion at Primaris' share. Formed in late 2021 through a spin-off from H&R Real Estate Investment Trust (HR-UN.TO), Primaris combined a 20-year operating legacy with a clean balance sheet and a scalable internal management platform. Its malls are typically the dominant retail assets in their respective regions, located in high-growth Canadian markets with strong transit access and large surrounding populations. The stock originally trades on the Toronto Stock Exchange and Over the Counter. It has a market cap of $1.63 billion. The REIT reports its figures in CAD. We have converted all figures in USD unless otherwise noted.

On April 29th, 2026, Primaris REIT released Q1 results for the period ended March 31st, 2026. Total rental revenue for the quarter was about $129.1 million, due to the contribution from recent acquisitions, continued rental revenue strength, and stable tenant sales productivity. Cash NOI remained solid at US$67.5 million, and the REIT reported FFO of $43.1 million, or $0.31 per unit, down modestly from the prior-year period due to prior-year property tax recoveries and the ongoing drag from disclaimed HBC locations. Excluding the prior-year tax recovery impact, FFO per unit increased.

The REIT ended the quarter with 86.4% in-place occupancy and 89.9% committed occupancy, with leasing spreads of 5.5% across about 372,000 square feet of renewals, showing healthy tenant demand despite the HBC-related vacancy. For 2026, we expect FFO per unit of $1.37. Management continues to focus on maintaining strong occupancy, improving rental economics, and executing on its capital recycling strategy as it advances its redevelopment pipeline and integrates recent acquisitions.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO	---	---	---	---	---	---	$1.17	$1.20	$1.18	$1.34	***$1.37***	***$1.44***
DPS	---	---	---	---	---	---	$0.59	$0.62	$0.59	$0.63	***$0.65***	***$0.68***
Shares[2]	---	---	---	---	---	101.6	100.0	99.7	108.3	127.3	***137.6***	***135.0***

Primaris REIT's FFO per unit has been stable since its formation post-spin-off. This consistency reflects the strength of its conservative capital structure, and the defensive nature of its portfolio, which is anchored by dominant enclosed malls in mid-sized, high-growth Canadian markets. But while its base operating performance has been strong, the REIT's FFO growth has been muted largely due to a significant rise in interest rates, which management estimates created a $0.12 per-unit drag in 2023 alone. Despite this, Primaris maintains strong occupancy, achieves positive leasing spreads, and consistently generates ample FFO to support its monthly distributions, all while keeping payout ratio at healthy levels.

Looking forward, we apply a conservative 1% CAGR to both FFO per share and DPS estimates, due to the REIT's income-oriented profile, its focus on operational stability, and the potential for FX headwinds. Not that there are meaningful upside levers, including embedded rental growth from below-market leases, further lease-up of vacant space, accretive capital recycling of non-core assets, and earnings contributions from recent acquisitions like Halifax Shopping Centre and

[1] In reporting currency (CAD).
[2] Share count is in millions.

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Conestoga Mall, two of Canada's top-performing malls. These drivers, if successfully executed, could push FFO per share growth higher than our baseline assumption over the medium term. Still, we remain cautious, especially considering how young the REIT is, despite its much-longer pre-spin-off legacy.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	---	---	---	---	---	---	9.0	8.5	9.3	8.2	***10.2***	***9.0***
Avg. Yld.	---	---	---	---	---	---	5.6%	6.1%	5.4%	5.7%	***4.6%***	***5.3%***

Primaris has a very short trading history. However, it has consistently traded close to 9 times its FFO, which we believe is a fair multiple for the stock given its defensive asset base, monthly dividend and low leverage. We believe this multiple fairly reflects the recognition of Primaris' stable income profile and conservative capital allocation, while also accounting for slower headline growth relative to higher-beta peers. Therefore, we believe the stock is modestly overvalued today.

Safety, Quality, Competitive Advantage, & Recession Resiliency

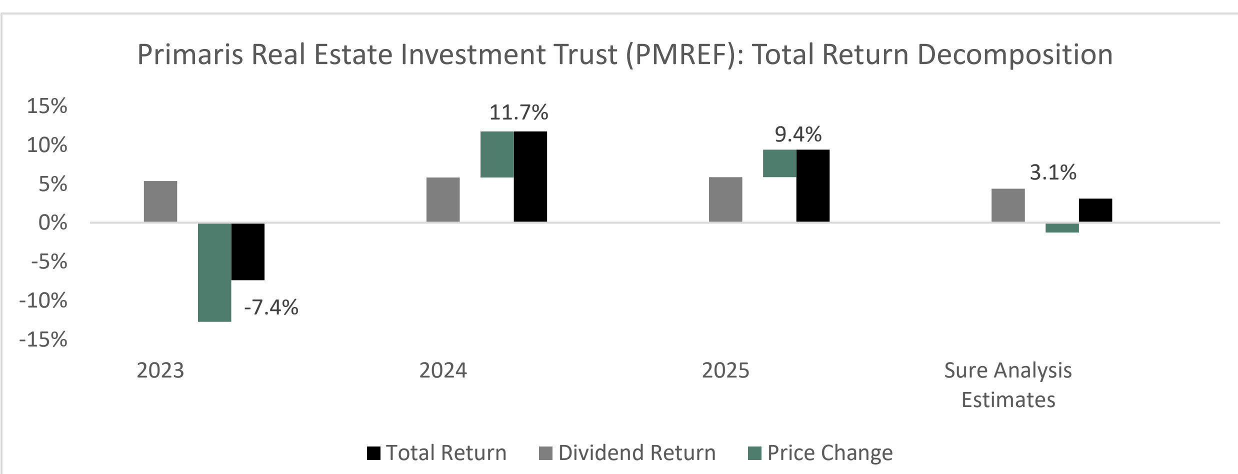
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	---	---	---	---	50%	52%	50%	47%	***47%***	***47%***

Primaris should be able to comfortably sustain its current distribution levels, currently paying out less than 50% of its FFO per share. Moreover, because it owns a portfolio of dominant retail centers in high-growth Canadian markets supported by essential tenants like grocers and pharmacies, we expect stable and resilient cash flows. Also, its prudent leverage, with average net debt to adjusted EBITDA of 6.0x and $457.1 million of liquidity, should allow for flexibility and reduce continued reliance on external capital, which should strengthen its ability to weather economic downturns. In fact, the combination of high occupancy, AAA locations, and disciplined capital management should allow Primaris to perform well even in challenging market conditions. Still, we do remain cautious, especially given how short the company's history is as a stand-alone entity.

Final Thoughts & Recommendation

Primaris REIT presents a decent investment case with its focus on high-quality, necessity-driven retail centers in growing Canadian markets. Supported by a low-leverage, internally managed platform and resilient tenants, the REIT appears to be well-positioned for steady cash flow and further dividend growth, which it can afford. We forecast annualized returns of 3.1% through 2031, to be driven mainly by the starting dividend, and our growth estimates, offset by the possibility of a P/FFO contraction. We rate the stock as a hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	-	-	-	-	204	200	295	306	368	469
Gross Profit	-	-	-	-	98	115	165	175	213	268
Gross Margin	-	-	-	-	48.2%	57.5%	56.1%	57.1%	57.9%	57.1%
SG&A Exp.	-	-	-	-	7	11	21	22	27	-
D&A Exp.	-	-	-	-	-	0	1	2	1	1.5
Operating Profit	-	-	-	-	91	104	144	152	185	251
Operating Margin	-	-	-	-	44.5%	52.1%	48.8%	49.5%	50.3%	53.5%
Net Profit	-	-	-	-	(429)	283	(9)	76	58	131
Net Margin	-	-	-	-	-210.1%	141.6%	-3.2%	24.7%	15.7%	27.9%
Free Cash Flow	-	-	-	-	208	(60)	120	123	111	129

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	-	-	-	-	1,674	2,547	2,359	2,940	2,973	3,854
Cash & Equivalents	-	-	-	-	12	4	8	33	10	25
Accounts Receivable	-	-	-	-	13	22	14	14	42	-
Total Liabilities	-	-	-	-	889	829	821	1,354	1,468	2,007
Accounts Payable	-	-	-	-	393	52	67	87	96	-
Long-Term Debt	-	-	-	-	478	724	742	1,119	1,192	1,885
Shareholder’s Equity	-	-	-	-	786	1,719	1,538	1,586	1,506	1,848
LTD/E Ratio	-	-	-	-	0.61	0.42	0.48	0.71	0.79	1.02

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	-	-	-	-	-14.5%	13.4%	-0.4%	2.9%	2.0%	3.8%
Return on Equity	-	-	-	-	-27.4%	22.6%	-0.6%	4.8%	3.8%	7.8%
ROIC	-	-	-	-	-22.8%	15.3%	-0.4%	3.0%	2.1%	4.0%
Shares Out.	-	-	-	101.6	100.0	99.7	108.3	101.6	100.0	127.3
Revenue/Share	-	-	-	-	1.99	2.03	3.02	3.17	3.69	3.69
FCF/Share	-	-	-	-	2.03	(0.61)	1.23	1.28	1.11	1.02

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