BSR Real Estate Investment Trust (BSRTF)

Updated June 5th, 2026, by Kody Kester

Key Metrics

Current Price:	$11.82	**5 Year Annual Expected Total Return:**	9.5%	**Market Cap:**	$462M
Fair Value Price:	$11.56	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	06/30/26[1]
% Fair Value:	102%	**5 Year Valuation Multiple Estimate:**	-0.4%	**Dividend Payment Date:**	07/15/26[1]
Dividend Yield:	4.7%	**5 Year Price Target**	$15.47	**Years Of Dividend Growth:**	3
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

BSR Real Estate Investment Trust, as it's known today, was formed in 2012 when it was formally established as a REIT in 2012. However, the company's history dates to Little Rock, Arkansas, with the formation of Bailey Corporation in 1956. At present, the company owns and manages more than two dozen garden-style multi-family communities totaling 7,170 units. The properties are suburban class A and class B apartments that are strategically positioned in demographically and economically thriving Sunbelt cities. Almost all of BSRTF's units are located in Dallas, Houston, Austin, and Oklahoma City, respectively. The fund's strategy is to concentrate in markets where the annual rent as a percentage of median income is low. This should translate into higher occupancy over time. The latest data demonstrates that annual rent as a percentage of median household income nationally is 26.4%. In BSRTF's markets, this ranges from as low as 16.8% in Austin to a still affordable ratio of just 19.8% in Houston. That approach is paying off for BSRTF. This is evidenced by the fact that the company's same community weighted average occupancy rate was 94.3% in Q1 2026.

On May 13, BSRTF released its earnings report for the first quarter ended March 31, 2026. The company's total revenue dropped by 22.2% year-over-year to $33.82 million in the quarter. This was fueled by the two-part $618.5 million sale of properties to AvalonBay last year. Backing out this factor, the company's same community property revenue decreased by 1.6% over the year-ago period to $26.29 million during the quarter. BSRTF's AFFO per unit dropped by 22.7% year-over-year to $0.17 for the quarter. Not surprisingly, the divestitures caused the lower AFFO per unit in the quarter.

BSRTF announced that it acquired The Ownsby in the Dallas-Fort Worth MSA for $87.5 million. This 368-apartment unit location ranges from one to three-bedroom suites in the fast-growing Celina, Texas market (the fastest growing city in the country in 2023). The property amenities include a resort-style pool, golf simulator, and pet spa.
AT&T, the PGA of America, and American Airlines are some of the major employers in the area. The occupancy rate at this property was 73.1%. But as time goes on, this (and the recently acquired Aura 35Fifty) should fill to 95%+ occupancy.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AFFOPS	-	-	$0.39	$0.65	$0.56	$0.59	$0.80	$0.85	$0.88	$0.70	***$0.68***	***$0.91***
DPS	-	-	$0.31	$0.50	$0.50	$0.50	$0.52	$0.52	$0.54	$0.56	***$0.56***	***$0.68***
Units[2]	-	-	36.5	36.6	37.5	53.5	53.7	53.8	53.8	39.1	***39.1***	***39.1***

Since its IPO in 2018, BSRTF's AFFO per unit has gradually made its way higher. In the years ahead, we believe the company's AFFO per unit can rise by 6.0% through 2031 annually, off an anticipated 2026 base of $0.68. While a surge in apartment supply in the Texas Triangle (Austin, Dallas, and Houston) pressured blended rental rates in Q1 2026 (-1.0%), we still think that the long-term demographics of its portfolio are favorable. As The Ownsby completes its lease-up phase, AFFO per unit growth should ramp up in 2027 and beyond.

[1] Estimated based on past dividend dates.
[2] Unit count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/AFFO	-	-	19.2	18.0	20.3	30.2	16.4	14.0	13.8	17.5	***17.4***	***17.0***
Avg. Yld.	-	-	4.1%	4.3%	4.4%	2.8%	4.0%	4.4%	4.5%	4.5%	***4.7%***	***4.4%***

Since 2018, BSRTF's P/AFFO ratio has ranged from as little as the low-teens to as much as the low-30s. Over that time, the average P/AFFO ratio was almost 19. Moving forward, interest rates will likely remain above where they have been over the past seven years. This is why we believe that fair value would be about one standard deviation below the average P/AFFO ratio, which would equate to a fair value multiple of 17. Against the current multiple of 17.4, that suggests the stock is modestly overvalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	-	-	79%	77%	89%	85%	65%	61%	61%	80%	***82%***	***75%***

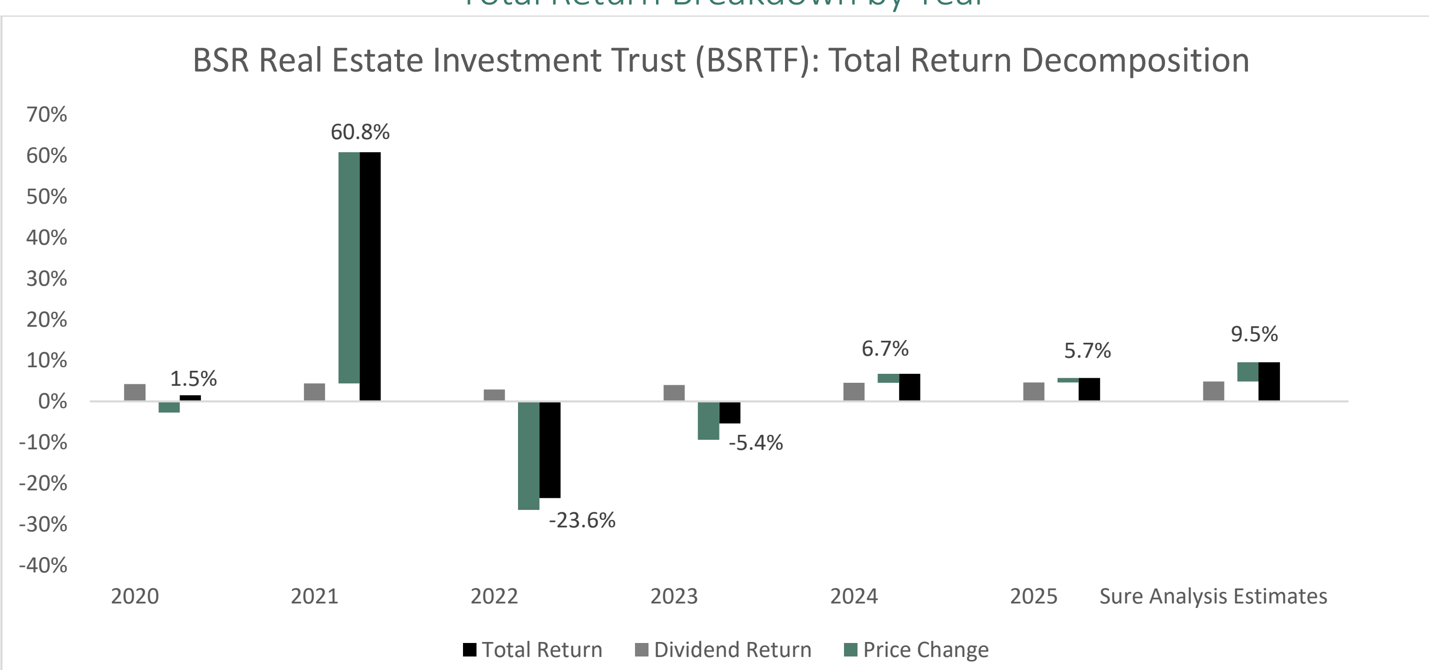
BSRTF enjoys a couple of notable competitive advantages. For one, the company's presence in metropolitan Sunbelt areas leads to steady demand for its properties. Additionally, the company is internally managed. That lowers external fees and allows BSRTF to make quick and cost-effective decisions.

BSRTF's debt-to-gross book value ratio as of March 31, 2026, was 52.0%. The company also had $67.3 million in liquidity to close the period. For these reasons, we would argue that BSRTF's balance sheet is sound. Lastly, the company's dividend payout ratio is set up to be in the low-80% range in 2026. This should give it the flexibility to grow the dividend at a mid-single-digit rate annually in the years ahead.

Final Thoughts & Recommendation

BSRTF's 4.7% yield, 6.0% annual AFFO per unit growth prospects, and 0.4% annual valuation multiple contraction could produce 9.5% annual total returns through 2031. However, the company lacks a storied history of dividend growth that we prefer when issuing a Buy rating. Thus, we're reiterating our Hold rating.

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	2025
Revenue			64	112	113	120	159	168	169	144
Gross Profit			39	61	60	66	85	91	92	72
Gross Margin			60.1%	54.3%	53.2%	54.8%	53.9%	54.2%	54.4%	49.6%
SG&A Exp.			-	-	-	-	-	-	-	-
D&A Exp.				0	0	0	0	0	0	0
Operating Profit			82	(29)	63	(89)	196	99	71	(3)
Operating Margin			128.4%	-25.6%	55.4%	-74.6%	123.5%	59.2%	42.2%	-2.2%
Net Profit			144	(53)	26	283	227	(211)	(40)	(63)
Net Margin			224.7%	-47.6%	23.1%	236.8%	143.3%	-126%	-23.9%	-43.5%
Free Cash Flow			21	36	30	37	64	44	37	27

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets			969	1,123	1,114	1,948	2,063	1,826	1,783	1,412
Cash & Equivalents			20	50	16	14	25	29	15	11
Accounts Receivable										
Total Liabilities			680	838	795	1,282	1,088	1,114	1,125	830
Accounts Payable										
Long-Term Debt			471	542	518	878	769	813	788	724
Shareholder's Equity			-	-	-	667	976	712	658	582
LTD/E Ratio						1.32	0.79	1.14	1.26	1.24

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets				-5.1%	2.3%	18.5%	11.3%	-10.8%	-2.2%	-3.9%
Return on Equity						85.0%	27.7%	-25.0%	-5.9%	-10.1%
ROIC				-10.5%	4.9%	27.5%	13.8%	-12.9%	-2.7%	-4.5%
Shares Out.				36.5	36.6	37.5	53.5	53.7	53.8	39.1
Revenue/Share			1.61	2.71	2.51	2.29	2.82	2.96	3.13	3.28
FCF/Share			0.52	0.86	0.67	0.71	1.14	0.77	0.69	0.62

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