SmartCentres Real Estate Investment Trust (CWYUF)

Updated June 5th, 2026, by Kody Kester

Key Metrics

Current Price:	$20.85	**5 Year Annual Expected Total Return:**	4.0%	**Market Cap:**	$3.6B
Fair Value Price:	$18.20	**5 Year Growth Estimate:**	0.5%	**Ex-Dividend Date:**	06/30/26[1]
% Fair Value:	115%	**5 Year Valuation Multiple Estimate:**	-2.7%	**Dividend Payment Date:**	07/15/26[1]
Dividend Yield:	6.4%	**5 Year Price Target**	$18.72	**Years Of Dividend Growth:**	0[2]
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Sell

Overview & Current Events

Founded in 1989, SmartCentres Real Estate Investment Trust is a Canadian real estate investment trust mostly focused on retail properties. In 1994, the company helped Walmart enter the Canadian market. Decades later, CWYUF remains Walmart's largest real estate development partner in Canada.

As of March 31, 2026, the company owned 200 properties spanning 35.5 million square feet throughout population centers in Canada. CWYUF has approximately 87.4 million square feet of projected mixed-use development initiatives in its pipeline.

CWYUF's typical tenants are large (95%+ of tenants are national or regional) and provide consumers with essential services. These include the likes of Walmart (22.8% of annualized rent) and Canadian supermarket chains Loblaws and Sobeys (2.7% and 2.1% of annualized rent, respectively). Other financially healthy tenants include the likes of off-price department store retailer TJX Companies (4.5% of annualized rent) and Lowe's/RONA (1.5% of annualized rent). CWYUF's focus on well-established tenants translates into a 97.6% committed occupancy rate.

On May 6, the REIT released its earnings report for the first quarter ended March 31, 2026. CWYUF's rentals from investment properties grew by 5.8% over the year-ago period to $169.1 million in the quarter (based on the average CAD to USD exchange rates in Q1 2025 and Q1 2026, which were a tailwind). CWYUF's AFFO per unit edged 0.5% higher year-over-year to $0.372 during the quarter (based on the average CAD to USD exchange rates in Q1 2025 and Q1 2026).

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.56	$1.65	$1.57	$1.59	$1.61	$1.51	$1.39	$1.38	$1.37	$1.40	***$1.40***	***$1.44***
DPS	$1.25	$1.32	$1.36	$1.37	$1.38	$1.48	$1.42	$1.37	$1.35	$1.34	***$1.34***	***$1.34***
Units[3]	155.1	157.6	159.6	169.2	170.1	170.2	170.2	170.3	170.4	182.2	***182.4***	***192.0***

CWYUF's AFFO per unit in CAD has been relatively flat since 2016. Deterioration in the CAD to USD exchange rate has caused a gradual decline in AFFO per unit as measured in USD over the years. We continue to believe the CAD will weaken further in the years ahead. CWYUF does have some positives going for it, though. Occupancy remains high, and rental growth was solid at 11.5% on lease extensions in Q1 2026. CWYUF's development pipeline is also strong, with two self-storage facilities in Quebec set to open in 2026. Two more self-storage facilities in British Columbia are anticipated to open in 2027. Overall, macro headwinds such as a weakening Canadian Dollar are probably going to mostly neutralize these tailwinds. That's why we still believe that AFFO per unit will increase by 0.5% annually through 2031, off an anticipated 2026 base of $1.40.

---

[1] Estimated based on past distribution dates.
[2] In its original Canadian Dollar declaration.
[3] Unit count is in millions.

SmartCentres Real Estate Investment Trust (CWYUF)

Updated June 5th, 2026, by Kody Kester

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Av. P/AFFO	15.3	14.9	14.5	15.1	11.3	16.8	14.2	13.6	13.1	13.1	***14.9***	***13.0***
Avg. Yld.	5.2%	5.4%	6.0%	5.7%	7.6%	5.8%	7.2%	7.3%	7.9%	7.2%	***6.4%***	***7.2%***

Since 2016, CWYUF's P/AFFO ratio has ranged from as low as the low double-digits to as high as the mid-teens. The average P/AFFO over this period has been just above 14. Guiding our fair value is the thought that 10-year U.S. Treasury yields will remain above the average over the past 10 years. This is why we still believe that a reasonable fair value multiple is one standard deviation below the 10-year average P/AFFO ratio. That yields a fair value P/AFFO multiple of approximately 13. This suggests shares of CWYUF are moderately overvalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	80%	80%	87%	86%	86%	98%	102%	99%	99%	96%	***96%***	***93%***

CWYUF's relationship with Walmart as its sole developer is a key competitive advantage for the company. That's because there's arguably no better anchor tenant than Walmart. Along with the property portfolio being within 10 kilometers of more than 90% of the Canadian population, this tends to result in high foot traffic at its properties.

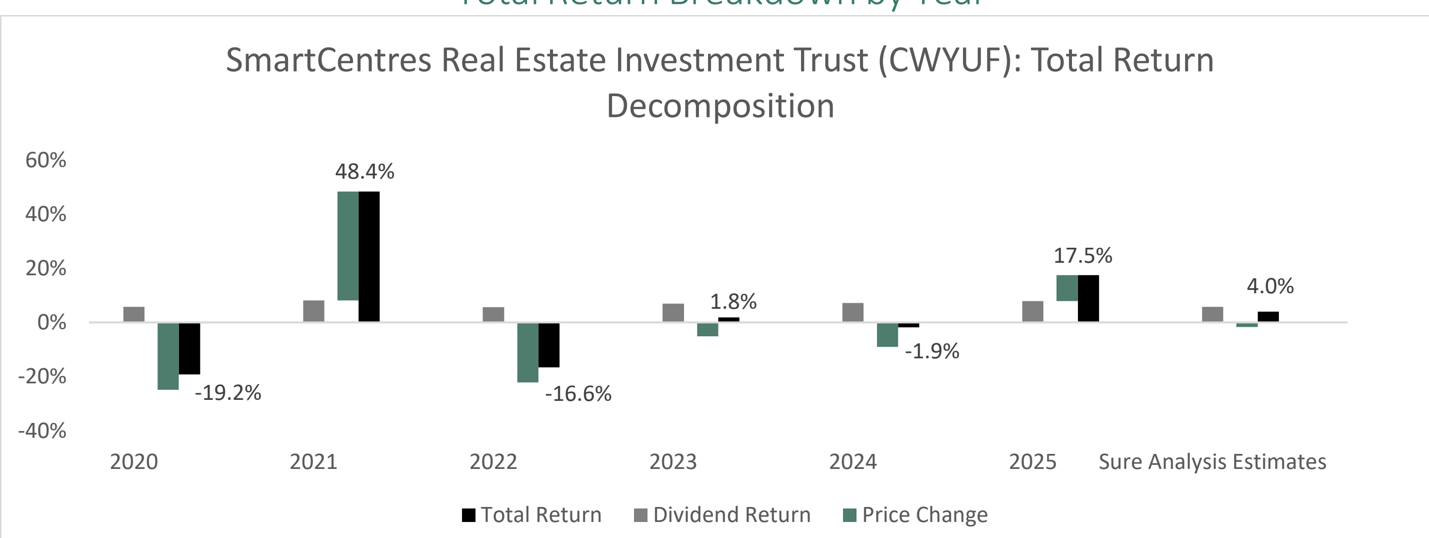
As of March 31, 2026, CWYUF's adjusted debt to adjusted EBITDA ratio was 9.7x over the last 12 months. That explains SmartCentres' BBB credit rating with a stable outlook from the Canadian rating agency, DBRS.

The 6.4% distribution yield appears to be stretched. In USD, the payout ratio is poised to be 96% in 2026. Such an elevated payout ratio leaves CWYUF with no room for error. A breakdown in its relationships with key tenants like Walmart could adversely impact results and force a distribution cut.

Final Thoughts & Recommendation

CWYUF's 6.4% yield, 0.5% annual AFFO per unit growth potential, and 2.7% annual valuation multiple downside could lead to a 4.0% annual total return potential through 2031. It hasn't cut the distribution in the native currency to this point. Still, the company's payout ratio has been particularly elevated in recent years (an average of 84% or so from 2016 through 2020 to roughly 99% from 2021 to 2025). This is why we still think there are more compelling REITs in the investment universe that can provide safer income at comparable valuations. With no dividend increase streak, we're sticking with our Sell 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.

SmartCentres Real Estate Investment Trust (CWYUF)

Updated June 5th, 2026, by Kody Kester

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	565	582	618	617	594	633	631	633	681	664
Gross Profit	366	369	390	388	351	389	388	386	405	410
Gross Margin	64.7%	63.4%	63.1%	62.9%	59.2%	61.5%	61.5%	61.1%	59.5%	61.7%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	2	2	2	2	3	9	8	10	5	4
Operating Profit	237	252	268	259	346	345	443	376	383	380
Operating Margin	42.0%	43.3%	43.4%	41.9%	58.3%	54.5%	70.3%	59.4%	56.2%	57.2%
Net Profit	291	274	311	282	67	788	489	378	213	222
Net Margin	51.6%	47.1%	50.3%	45.7%	11.3%	124.5%	77.4%	59.7%	31.3%	33.5%
Free Cash Flow	239	272	270	260	221	296	284	244	300	284

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	6,516	7,487	6,926	7,656	8,418	8,941	8,637	9,029	8,302	8,857
Cash & Equivalents	17	130	22	43	624	49	26	26	26	38
Accounts Receivable										
Inventories	-	16	17	19	20	22	30	39	22	15
Goodwill & Int.	39	40	36	37	36	36	32	32	29	29
Total Liabilities	3,039	3,634	3,259	3,517	4,362	4,316	4,088	4,206	3,895	4,227
Accounts Payable										
Long-Term Debt	2,862	3,404	3,030	3,286	4,115	3,868	3,699	3,812	3,528	3,821
Shareholder's Equity	2,869	3,188	3,037	3,465	3,389	3,862	3,783	3,998	3,645	3,814
LTD/E Ratio	1.00	1.07	1.00	0.95	1.21	1.00	0.98	0.95	0.97	1.00

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.6%	3.9%	4.3%	3.9%	0.8%	9.1%	5.6%	4.3%	2.5%	2.6%
Return on Equity	8.7%	7.5%	8.3%	7.2%	1.6%	18.2%	10.7%	8.1%	4.6%	4.9%
ROIC	4.7%	4.0%	4.5%	4.0%	0.9%	9.5%	5.8%	4.5%	2.6%	2.7%
Shares Out.	155.1	157.6	159.6	169.2	170.1	170.2	170.2	170.3	170.4	182.2
Revenue/Share	3.63	3.69	3.82	3.61	3.43	3.64	3.51	3.52	3.77	3.65
FCF/Share	1.53	1.72	1.67	1.52	1.28	1.70	1.58	1.35	1.66	1.56

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