Federal Realty Investment Trust (FRT)

Updated June 6th, 2026, by Kody Kester

Key Metrics

Current Price:	$123	**5 Year CAGR Estimate:**	8.4%	**Market Cap:**	$10.6B
Fair Value Price:	$128	**5 Year Growth Estimate:**	4.5%	**Ex-Dividend Date:**	07/01/26
% Fair Value:	96%	**5 Year Valuation Multiple Estimate:**	0.8%	**Dividend Payment Date:**	07/15/26
Dividend Yield:	3.7%	**5 Year Price Target**	$159	**Years Of Dividend Growth:**	58
Dividend Risk Score:	A	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Federal Realty Investment Trust (FRT) is a premier retail REIT that owns 104 properties spanning 29 million square feet in select U.S. markets, with a base of approximately 3,800 tenants. The company's portfolio is predominantly retail-oriented, with the remaining ABR being generated from residential (2,500-plus luxury multi-family units) and office sectors. The thesis revolves around class A properties in high-density, affluent communities (the average population within three miles of its properties is 171,000, with an average household income of $166k). Boasting 58 consecutive years of dividend growth, FRT earns the distinction of being the only REIT that's a Dividend King (e.g., at least 50 consecutive years of dividend growth).

On May 1, the REIT shared its financial results for the first quarter ended March 31, 2026. FRT's total revenue climbed 10.3% higher over the year-ago period to $341.1 million during the quarter. Acquisitions (i.e., Congressional North Shopping Center and Annapolis Town Center) contributed to this topline growth in the quarter. As did higher base rents and a 20 basis point year-over-year uptick in occupancy to 93.8% for the quarter. FRT's core FFO per share vaulted 10.6% higher over the year-ago period to $1.88 during the quarter ($0.07 above the analyst consensus). The driving factor behind this was 4.7% comparable property operating income growth (5.1% on a cash basis), as well as record-high leasing spreads (+13% on a cash basis and +23% on a straight-line basis) on 649K square feet in the quarter. Divesting mature and lower-yielding non-core assets and putting those proceeds back to work into higher-yielding opportunities was another tailwind for FRT for the quarter.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO	$5.65	$5.74	$6.23	$6.17	$4.38	$5.57	$6.32	$6.55	$6.77	$7.22	***$7.52***	***$9.37***
DPS	$3.80	$3.94	$4.02	$4.11	$4.21	$4.25	$4.29	$4.33	$4.37	$4.43	***$4.52***	***$5.11***
Shares[1]	72.0	73.1	74.3	75.5	76.7	78.6	81.3	82.8	85.7	86.3	***86.4***	***95.0***

Since 2016, FRT's core FFO per share has compounded by roughly 3% annually. In recent years, this growth has accelerated to about 6%. Looking ahead, we're splitting the difference, projecting 4.5% annual core FFO per share growth through 2031, off an anticipated 2026 base of $7.52. Anchoring this assumption is consistent rent growth from the underlying quality and mission-critical nature of its properties to its tenants. The pipeline of more than 1.7 million square feet under lease negotiations also unlocks embedded growth for the next few years. Combined with prudent capital recycling, we believe this provides a viable path for FRT to achieve our growth forecast.

[1] Share count in millions

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/FFO	25.2	23.1	19.3	20.5	19.4	24.5	16.0	15.7	16.2	13.7	***16.3***	***17.0***
Avg. Yld.	2.7%	3.0%	3.3%	3.3%	4.9%	3.1%	4.2%	4.2%	4.0%	4.5%	***3.7%***	***3.2%***

Over the last decade, FRT's shares have traded at a P/FFO ratio as low as the low teens to as much as the mid-20s. The average multiple over that time was above 19. In recent years, the elevated interest rate environment has pushed the P/FFO ratio down to around 17. Moving forward, we think that a fair value P/FFO ratio of 17 is reasonable. That's because of FRT's intact growth profile and unmatched status as a Dividend King REIT. Relative to the current-year P/FFO ratio of 16.3, this implies shares are slightly undervalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	67%	69%	65%	67%	96%	76%	68%	66%	65%	61%	***60%***	***55%***

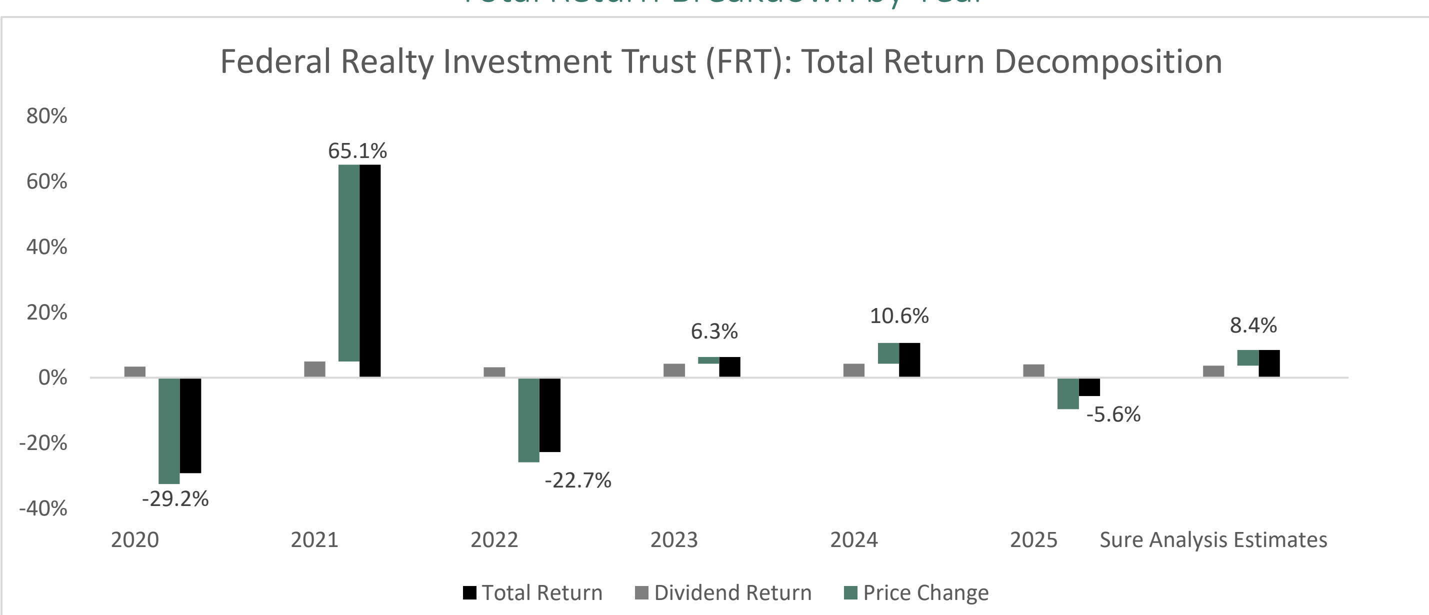
FRT's densely populated and affluent demographics act as an insurance policy against e-commerce and economic downturns. Premium retailers and high-end grocers must be in these markets to capture consumer spending in the K-shaped U.S. economy. Thus, FRT commands base rents per square foot that are consistently much higher than the shopping center peer group average.

The REIT is also financially healthy, with a BBB+ S&P credit rating and a stable outlook. This provides it with a low cost of capital, which is precisely what allows it to buy high-quality properties at accretive investment spreads. FRT's payout is also exceptionally safe, with the payout ratio likely to be around 60% in 2026. That's why we're confident that the company can extend its 58-year dividend growth streak.

Final Thoughts & Recommendation

FRT's 3.7% dividend yield, 4.5% annual core FFO per share growth prospects, and 0.8% annual valuation multiple upside could generate 8.4% annual total returns through 2031. Given the limited total return potential, we're maintaining our Hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	781	834	887	912	811	951	1,074	1,132	1,202	1,279
Gross Profit	357	371	388	397	290	355	415	447	468	492
Gross Margin	45.7%	44.5%	43.8%	43.5%	35.8%	37.3%	38.7%	39.5%	38.9%	38.5%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	194	216	244	240	255	280	302	322	343	368
Operating Profit	321	332	350	355	249	305	363	397	418	460
Operating Margin	41.1%	39.8%	39.4%	38.9%	30.7%	32.1%	33.8%	35.0%	34.8%	35.9%
Net Profit	258	297	248	360	135	268	394	246	303	422
Net Margin	33.0%	35.6%	28.0%	39.4%	16.6%	28.2%	36.7%	21.7%	25.2%	33.0%
Free Cash Flow	(14)	(58)	149	55	(131)	34	107	255	333	335

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	5,423	6,276	6,290	6,795	7,608	7,622	8,234	8,437	8,525	9,130
Cash & Equivalents	23	15	64	127	798	162	86	251	123	107
Goodwill	25	54	47	47	42	73	12	33	8	16
Total Liabilities	3,204	3,743	3,686	4,019	4,921	4,745	5,022	5,211	5,100	5,630
Long-Term Debt	2,959	3,501	3,363	3,621	4,549	4,359	4,645	4,854	4,722	5,225
Shareholder's Equity	1,967	2,107	2,186	2,375	2,304	2,421	2,794	2,804	3,012	3,089
LTD/E Ratio	1.50	1.54	1.43	1.43	1.85	1.69	1.57	1.64	1.49	1.61

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	5.0%	5.1%	3.9%	5.5%	1.9%	3.5%	5.0%	3.0%	3.6%	4.8%
Return on Equity	12.5%	12.5%	9.7%	13.4%	4.9%	9.6%	13.0%	7.6%	9.1%	12.2%
ROIC	5.3%	5.3%	4.1%	5.8%	2.0%	3.7%	5.2%	3.1%	3.7%	5.0%
Shares Out.	72.1	73.2	74.4	75.7	76.7	78.6	81.4	83.0	85.7	86.6
Revenue/Share	11.00	11.55	12.10	12.20	10.73	12.29	13.34	13.92	14.39	14.80
FCF/Share	(0.20)	(0.80)	2.03	0.73	(1.73)	0.44	1.33	3.13	3.98	3.88

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