Gladstone Land Corp. (LAND)

Updated May 29th, 2026, by Josh Arnold

Key Metrics

Current Price:	$9.59	**5 Year CAGR Estimate:**	4.0%	**Market Cap:**	$411 M
Fair Value Price:	$8.40	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date:**	06/23/26
% Fair Value:	114%	**5 Year Valuation Multiple Estimate:**	-2.6%	**Dividend Payment Date:**	06/30/26
Dividend Yield:	5.8%	**5 Year Price Target**	$9.27	**Years Of Dividend Growth:**	10
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Gladstone Land Corporation is a real estate investment trust, or REIT, that specializes in the owning and operating of farmland in the U.S. The trust owns about 160 farms, comprising more than 100,000 acres of farmable land. Gladstone's business is made up of three different options available to farmers, all of which are done on a triple-net basis. The trust offers long-term sale leaseback transactions, traditional leases of farmland, and outright purchases of farm properties. Gladstone's portfolio has an appraised value of over $1.5 billion, and the stock trades with a market capitalization of $411 million. The trust went public in early 2013 after having been founded in 1997.

Gladstone posted first quarter earnings on May 12th, 2026, and results were better than expected on both the top and bottom lines. Funds-from-operations came to eight cents, well ahead of the expectation for just one penny in FFO. Revenue was down 1.5% year-over-year to $16.55 million, beating estimates by $2.38 million.

Fixed base cash rents were down $2.4 million year-over-year, and participation rents were up about $4.4 million. The latter was primarily due to receipt of an early partial bonus payment on the 2025 pistachio crop. The remaining portion of the bonus is expected in the fourth quarter.

The trust didn't have any acquisition or sales activity during the quarter, but is considering selling 2 to 5 farms in the coming quarters. The proceeds would be used to reduce leverage by buying back debt and/or preferred stock. The trust noted that rough market conditions caused it to modify leases to take on "a lot more growing risk" with some of its farms, which is not a great development for the outlook.

We've reduced our estimate of AFFO to 40 cents per-share for this year after a choppy start.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AFFO	$0.54	$0.56	$0.51	$0.57	$0.66	$0.70	$0.74	$0.67	$0.59	$0.40	***$0.40***	***$0.44***
DPS	$0.50	$0.52	$0.53	$0.53	$0.54	$0.54	$0.55	$0.56	$0.56	$0.56	***$0.56***	***$0.43***
Shares[1]	10.8	13.4	16.3	17.9	20.9	34.2	35.7	35.8	36.2	41.4	***43.0***	***50.0***

Gladstone's growth has been irregular since it went public in 2013, although that growth has settled down a bit recently. From 2016 to 2018, Gladstone produced just over $0.50 in AFFO-per-share annually, which is below where we see long-term earnings potential after recent acquisitions. With margins and revenue growth now both sources of concern, we see growth at 2% going forward, even off the low base of earnings for 2026. Acquisitions and rent escalations are likely to be the only sources of AFFO growth in the coming years, as has been the case for some time. We note last year ended on a weak note and there are no signs of improvement just yet.

Growth in the trust's portfolio will drive higher rental revenues, but Gladstone continues to suffer from high funding costs. It issues preferred stock with coupons in the mid-to-high single-digits, and issues common stock that has not only an implied cost of a higher share count, but also a dividend yield of 5%+. With capitalization rates in the mid-single digits, it is very difficult for Gladstone to issue such expensive capital and then profitably invest it in new properties. Given this, Gladstone must tightly control operating expenses to move the needle on a per-share basis, which it has

[1] Share count in millions

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.

struggled to accomplish at times in the past. We see this as continuing for the foreseeable future unless it finds a cheaper way to fund acquisitions. We note recent lease renewals were done at unfavorable rates, at the same time as the acquisition landscape is quite negative. The REIT has said it is waiting out this period of higher interest rates as financing cannot be completed at favorable rates at the moment, highlighting this risk. While the company's borrowings are at low rates (<4%), returns are low on its investments.

The dividend was raised fractionally most recently as Gladstone appears to have hit the maximum dividend it can pay until AFFO-per-share increases. The most recent increase was just 0.2%, and while the dividend increase streak is now up to ten years, the dividend is very little changed from a few years ago. We don't expect any change on that front given weak earnings.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/AFFO	18.9	22.0	24.8	21.2	21.6	32.3	25.8	21.6	18.4	22.9	***24.0***	***21.0***
Avg. Yld.	4.9%	4.2%	4.2%	4.4%	3.8%	2.4%	3.0%	3.9%	5.2%	6.1%	***5.8%***	***4.7%***

Gladstone's price-to-AFFO has been very high in recent years and sits at 24 today. We see fair value, given its projected growth and maxed out dividend, at 21 times AFFO. That implies a meaningful headwind from the valuation. The yield is 5.8% today and we see it declining over time as the dividend now appears at significant risk given very weak earnings. We note the company could issue capital to fund the dividend in part, but we don't see earnings covering the current payout for some time, and expect the trust will need to cut the dividend at some point.

Safety, Quality, Competitive Advantage, & Recession Resiliency

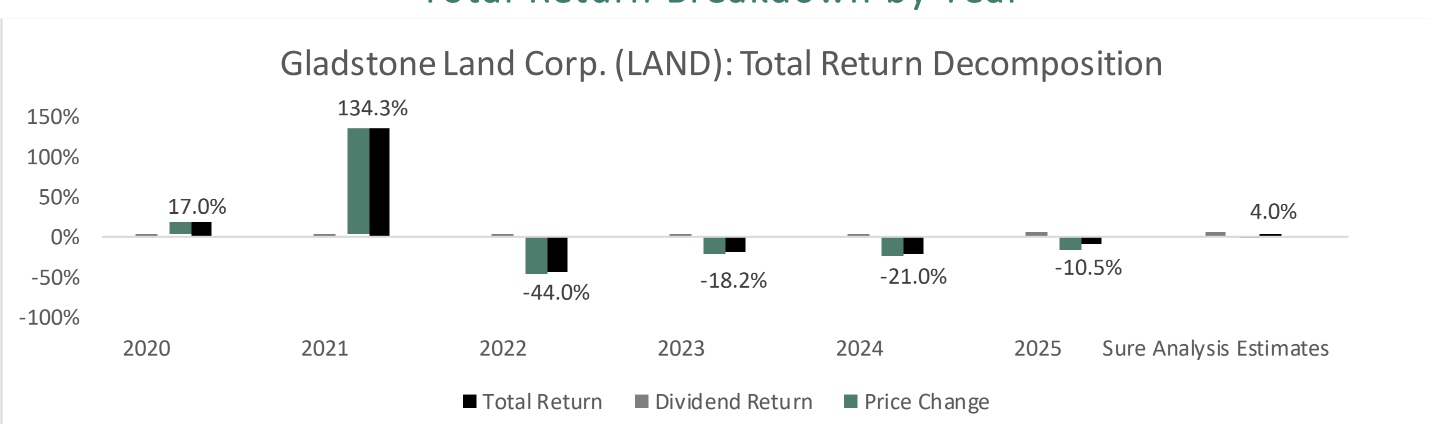
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	93%	93%	104%	93%	82%	77%	74%	84%	95%	140%	***140%***	***98%***

Gladstone offers farmers a diverse portfolio of high-quality properties, but it doesn't necessarily have a competitive advantage. Recessions may hurt the trust's earnings as farmers that operate on low margins may struggle if a downturn occurs. Weather is another risk factor for Gladstone and its farmers, as crop destruction can occur for a variety of reasons. The dividend is potentially coming under some risk at 140% of projected FFO.

Final Thoughts & Recommendation

Gladstone's share price has risen sharply in recent months despite weak fundamentals. We forecast total annual returns of 4%, consisting of the dividend yield of 5.8% and growth of 2%, with a headwind from the valuation. We reiterate our hold rating, but note it appears only a matter of time before a dividend cut is required.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	17	25	37	41	57	75	89	90	85	88
Gross Profit	17	24	35	38	55	73	86	86	80	29
Gross Margin	95.5%	94.7%	94.4%	93.9%	96.8%	96.6%	96.6%	95.6%	93.7%	33.4%
SG&A Exp.	4	4	5	5	8	10	13	14	13	---
D&A Exp.	5	7	9	13	17	27	35	37	35	35
Operating Profit	7	11	12	19	28	32	34	33	31	24
Operating Margin	42.2%	45.3%	33.0%	47.4%	48.5%	42.1%	38.2%	36.7%	36.8%	27.2%
Net Profit	0	(0)	3	2	5	3	5	15	13	14
Net Margin	2.6%	-0.1%	7.2%	4.3%	8.6%	4.6%	5.6%	16.7%	15.6%	15.3%
Free Cash Flow	(1)	1	(12)	9	8	26	24	27	24	(0.2)
Income Tax	---	---	---	---	---	---	---	---	---	---

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	334	462	565	817	1,067	1,352	1,457	1,387	1,312	1,239
Cash & Equivalents	2	3	15	14	9	17	61	19	18	27
Inventories	---	2	---	---	---	---	---	54	46	2
Goodwill & Int. Ass.	2	5	6	5	4	4	6	5	4	2
Total Liabilities	246	344	384	538	683	762	726	668	625	569
Accounts Payable	3	7	9	10	9	11	16	10	18	---
Long-Term Debt	207	301	336	482	624	668	627	574	528	536
Shareholder's Equity	77	110	176	277	384	587	731	720	687	670
LTD/E Ratio	2.70	2.74	1.91	1.74	1.63	1.14	0.86	0.80	0.77	0.80

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.2%	0.0%	0.5%	0.3%	0.5%	0.3%	0.3%	1.0%	1.0%	1.1%
Return on Equity	0.6%	0.0%	1.8%	0.8%	1.5%	0.7%	0.7%	2.0%	1.9%	2.0%
ROIC	0.2%	0.0%	0.6%	0.3%	0.6%	0.3%	0.4%	1.1%	1.1%	1.1%
Shares Out.	10.8	13.4	16.3	17.9	20.9	34.2	34.6	35.7	35.9	36.5
Revenue/Share	1.73	2.08	2.37	2.08	2.56	2.48	2.58	2.53	2.37	2.42
FCF/Share	(0.14)	0.11	(0.79)	0.46	0.38	0.86	0.68	0.76	0.68	(0.00)

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