Choice Properties REIT (PPRQF)

Updated June 19th, 2026, by Kody Kester

Key Metrics

Current Price:	$11.37	**5 Year CAGR Estimate:**	5.5%	**Market Cap:**	$8.2B
Fair Value Price:	$10.53	**5 Year Growth Estimate:**	2.5%	**Ex-Dividend Date:**	06/30/26
Fair Value:	108%	**5 Year Valuation Multiple Estimate:**	-1.5%	**Dividend Payment Date:**	07/15/26
Dividend Yield:	4.9%	**5 Year Price Target**	$11.88	**Years Of Dividend Growth:**	4[1]
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Choice Properties Real Estate Investment Trust (OTC: PPRQF; TSX: CHP.UN) is a Canada-based diversified REIT focused on owning, developing, and managing commercial retail, industrial, mixed-use, and residential properties across Canada. PPRQF's portfolio is anchored by necessity-based grocery-anchored retail (83% of annualized gross rental revenue), with Loblaw Companies as its anchor tenant (57% of total annualized gross rental revenue), along with a growing industrial and logistics segment. The REIT operates through three main segments: retail, industrial, and mixed-use & residential. PPRQF's portfolio comprises 699 properties across Canada's major markets, spanning 68.5 million square feet, offering diversified income streams from essential-service tenants. As of Mar. 31, 2026, the company's portfolio was valued at nearly 18 billion CAD.

On Apr. 29, 2026, PPRQF shared its earnings report for the first quarter ended Mar. 31, 2026. The company's rental revenue on a proportionate basis grew by 5.5% year-over-year to 392.5 million CAD in the quarter. Adjusting for foreign currency translation, the REIT's revenue on a proportionate basis surged 10.4% higher over the year-ago period to $286.2 million during the quarter. Underpinning this topline growth for the quarter was a mix of predictable lease escalations, long-term renewal leasing spread of 21.8% (17.2% for retail and 46.2% for industrial), as well as the completion of new development projects. In native currency, PPRQF's FFO per unit increased by 2.7% year-over-year to 0.271 CAD in the quarter. Factoring in favorable foreign currency translation, the REIT's FFO per unit grew by 7.6% over the year-ago period to $0.198 during the quarter.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO/S	$0.75	$0.83	$0.80	$0.74	$0.69	$0.57	$0.74	$0.74	$0.75	$0.76	***$0.78***	***$0.88***
DPS	$0.52	$0.56	$0.57	$0.56	$0.55	$0.59	$0.57	$0.55	$0.55	$0.55	***$0.56***	***$0.60***
Units[2]	410.6	413.4	668.2	700.3	722.7	723.4	723.6	723.7	723.7	723.8	***723.8***	***800.0***

Since 2016, PPRQF's FFO per unit has been relatively unchanged, largely due to foreign currency translation headwinds and COVID-19 pandemic headwinds along the way. In recent years, growth has accelerated to above 6% annually. Moving forward, we think that the REIT's FFO per unit could compound by 2.5% annually through 2031, off an anticipated 2026 base of $0.78. Alongside lease escalators, the fact that most of its rental revenue is grocery-anchored provides a stable floor for rental income to move higher over time. Robust long-term renewal leasing spreads give PPRQF more room to capture organic growth through renewals without needing to acquire new properties. The REIT is also one of Canada's largest landowners, with a development pipeline of more than 18 million square feet and over 70 sites with potential incremental density. In April, PPRQF announced that it and KingSett Capital would be acquiring First Capital Real Estate Investment Trust (FCR) in a unit and cash transaction valued at 9.4 billion CAD. This will involve the issuance of units, so that's why we think that the unit count will reach 800 million by 2031.

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[1] In its original Canadian Dollar declaration.

[2] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
P/FFO	13.1	12.5	10.5	14.2	14.9	21.1	14.8	14.2	12.4	14.3	***14.6***	***13.5***
Avg. Yld.	5.2%	5.4%	6.8%	5.3%	5.4%	4.9%	5.2%	5.2%	5.9%	5.0%	***4.9%***	***5.1%***

Over the past decade, PPRQF's P/FFO ratio has ranged from as low as the low double digits to as much as the low 20s. The average P/FFO ratio over that time was just above 14. In recent years, the average P/FFO ratio has been around 15. Looking ahead, we think that a fair value P/FFO ratio of 13.5 accounts for the higher interest rate environment. Compared to the current-year P/FFO ratio of 14.6, this implies units are slightly overvalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	69%	67%	71%	76%	80%	104%	77%	74%	73%	72%	***72%***	***68%***

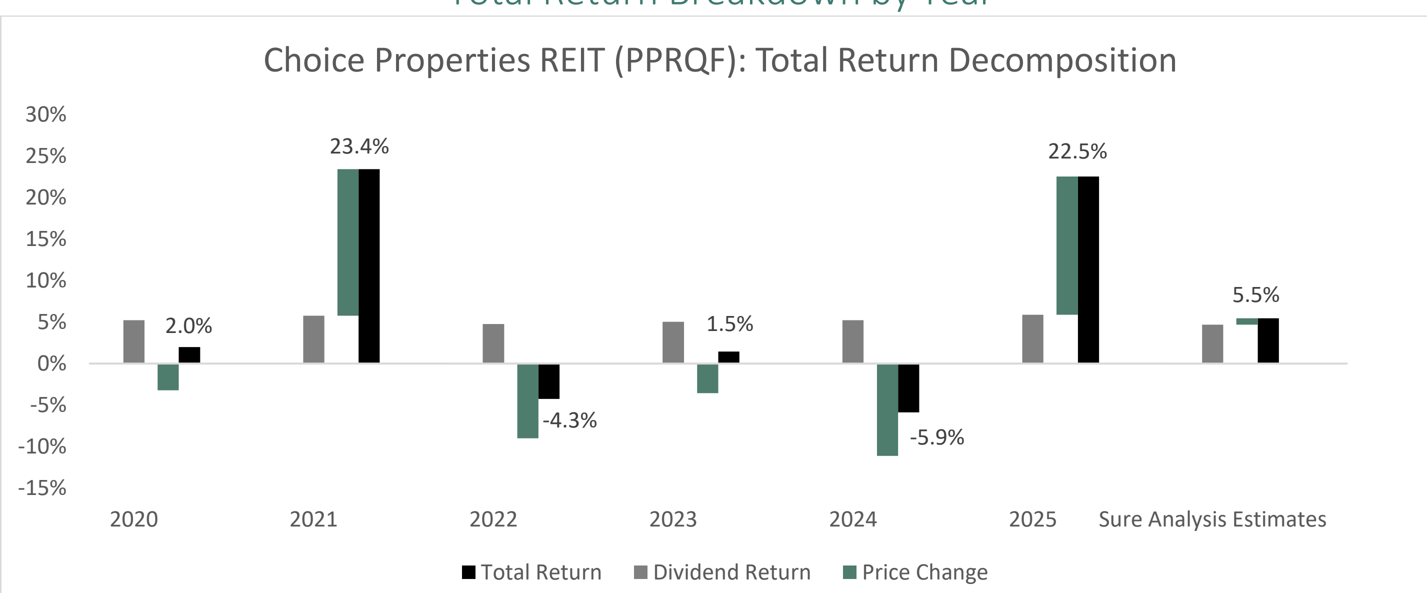
PPRQF's competitive advantages include its necessity-based moat and its strategic relationship with Loblaw, Canada's largest retailer. Even in periods of economic volatility, consumer demand for food and household necessities remains stable, which ensures reliable rent collection and occupancy rates consistently above 98%. The relationship with Loblaw generates consistent foot traffic, which in turn supports the performance of secondary retail tenants within the same centers.

PPRQF's balance sheet is also solid. As of Mar. 31, 2026, the REIT's adjusted debt to EBITDAFV was 7x. That's below its targeted ratio of less than 7.5x, though it will temporarily push toward 8.5x following the FCR acquisition. This earns PPRQF a BBB credit rating from DBRS with a positive outlook and a BBB+ S&P credit rating with a stable outlook. In native currency, the REIT has raised its distribution for four consecutive years. Thanks to a payout ratio set to be in the low-70% range in 2026, we think that PPRQF can continue slowly growing its payout over time.

Final Thoughts & Recommendation

PPRQF's 4.9% distribution yield, 2.5% annual FFO per unit growth prospects, and 1.5% annual valuation multiple contraction could generate 5.5% annualized total returns through 2031. As a result, we're upgrading shares to a 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	593	641	889	975	951	1,034	974	992	1,002	1,016
Gross Profit	442	479	646	696	663	729	694	702	716	729
Gross Margin	74.4%	74.7%	72.7%	71.4%	69.8%	70.5%	71.3%	70.7%	71.5%	71.8%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
Operating Profit	(98)	490	865	(239)	896	9	596	846	814	237
Operating Margin	-16.4%	76.5%	97.3%	-24.5%	94.3%	0.8%	61.2%	85.2%	81.3%	23.3%
Net Profit	(168)	312	501	(438)	336	18	572	590	573	(44)
Net Margin	-28.4%	48.7%	56.4%	-45.0%	35.3%	1.8%	58.7%	59.5%	57.1%	-4.3%
Free Cash Flow	285	262	332	480	487	633	539	476	529	382
Income Tax	-	-	0	(1)	(1)	(1)	(0)	0	(1)	1

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	7,036	7,920	11,385	12,012	12,282	12,803	12,413	13,127	12,208	13,068
Cash & Equivalents	4	5	22	32	163	67	48	191	44	52
Goodwill & Int. Ass.	-	-	22	23	23	22	16	11	9	9
Total Liabilities	3,411	3,773	5,533	5,440	5,475	5,423	5,280	5,626	5,127	5,447
Accounts Payable	3,058	3,430	5,255	5,044	5,091	4,932	4,835	5,078	4,648	4,964
Long-Term Debt	425	741	2,557	2,383	2,759	2,621	2,822	3,313	3,407	3,345
Shareholder's Equity	7.20	4.63	2.06	2.12	1.85	1.88	1.71	1.53	1.36	1.48

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	-2.5%	4.2%	5.2%	-3.7%	2.8%	0.1%	4.5%	4.6%	4.5%	-0.3%
Return on Equity	-32.5%	53.0%	30.3%	-17.7%	13.0%	0.7%	21.0%	19.2%	17.0%	-1.3%
ROIC	-4.9%	8.1%	8.4%	-5.7%	4.4%	0.2%	7.5%	7.4%	7.0%	-0.5%
Units Out.	92.6	94.3	278.2	310.3	326.9	327.6	327.8	327.9	327.9	328.0
Revenue/Share	1.45	1.55	1.33	1.41	1.34	1.43	1.35	1.37	1.38	1.40
FCF/Share	0.69	0.63	0.50	0.70	0.69	0.88	0.74	0.66	0.73	0.53

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