Top 10 REITs

June 2026 Edition

A monthly special report service from Sure Dividend

By Ben Reynolds, Bob Ciura, Nick Sismanis & Felix Martinez

Edited by Brad Beams

Published on June 14th, 2026

Table of Contents

Top 10 REITs – June 2026

Name & Ticker	Price	Fair Value	Payout Ratio	Years Div. Growth	Div. Yield	Exp. Growth Return	Exp. Value Return	Exp. Total Return
Federal Realty (FRT)	$125	$128	60%	58	3.6%	4.5%	0.5%	8.1%
Equinix (EQIX)	$1,043	$1,004	48%	11	2.0%	9.0%	-0.8%	10.0%
Realty Income (O)	$62	$71	74%	32	5.3%	3.5%	2.8%	10.5%
Terreno Realty (TRNO)	$67	$62	74%	14	3.1%	8.0%	-1.4%	9.4%
SBA Communications (SBAC)	$204	$213	41%	7	2.5%	6.0%	0.9%	9.4%
NNN REIT (NNN)	$46	$51	68%	36	5.2%	3.0%	2.0%	9.3%
Equity LifeStyle (ELS)	$64	$67	68%	22	3.4%	5.0%	0.9%	8.9%
EastGroup Properties (EGP)	$203	$172	65%	15	3.1%	8.0%	-3.2%	7.6%
First Industrial (FR)	$63	$58	64%	14	3.2%	6.0%	-1.6%	7.4%
Prologis (PLD)	$148	$117	70%	12	2.9%	8.0%	-4.6%	6.1%

Notes: *Data for the table above is from the 6/11/26 Sure Analysis Research Database spreadsheet. "Div." stands for Dividend. "Exp." stands for Expected. Expected returns are annualized and based on 5-year forward projections. Data in the table above may be different than individual company analysis pages due to writing the company reports throughout the previous several days.*

Disclosures: *None.*

There were 6 changes in this month's Top 10 versus last month's Top 10.

Rexford Industrial (REXR), UDR (UDR), Essential Properties (EPRT), CubeSmart (CUBE), Alpine Trust (PINE), and Universal Health (UHT)

were replaced by Federal Realty (FRT), Realty Income (O), Terreno Realty (TRNO), NNN REIT (NNN), Equity LifeStyle (ELS), and First Industrial (FR).

The Top 10 has the following average characteristics:

	Top 10 REITs	**S&P 500**
Dividend Yield:	3.4%	1.1%
Growth Rate:	6.1%	5.5%
Valuation Return:	-0.5%	-2.1%
Expected Annual Total Returns:	8.7%	4.4%

Notes: The S&P 500 expected annual total return calculation uses the average P/E ratio of the last 10 years for a fair value estimate. REITs have different tax consequences than stocks that trade as corporations. Please see our REIT Tax Guide for more information. Data for this edition is from 6/9/26 through 6/12/26.

Federal Realty Investment Trust (FRT)

Dividend Yield: 3.7%
5-Year Expected Annual Total Returns: 8.3%

Overview & Current Events

Federal Realty Investment Trust is a 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 annualized base rent 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 $166,000 per year). Boasting 58 consecutive years of dividend growth, FRT is the only REIT on the list of Dividend Kings.

On May 1st, FRT shared its financial results for the first quarter ended March 31, 2026. 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 top-line 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. Core funds from operations (FFO) per share grew 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.

Safety & Dividend Risk Analysis

FRT's densely populated and affluent demographics act as a safety buffer against e-commerce and economic downturns. 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.

Growth, Value & Expected Total Return Analysis

Since 2016, FRT's core FFO per share has compounded by roughly 3% annually. Looking ahead, we expect 4.5% annual core FFO per share growth through 2031. 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.

The REIT trades at 16.4 times projected AFFO per share, below our fair value estimate of 17. This implies the potential for a 0.7% annualized valuation tailwind over the next five years. Given also the 3.7% dividend yield and expected 4.5% annual AFFO per share growth, we anticipate annualized total returns of 8.3% over the next five years.

Equinix Inc. (EQIX)

Dividend Yield: 2.0%
5-Year Expected Annual Total Returns: 10.2%

Overview & Current Events

Equinix is a REIT that specializes in data centers. The trust operates 280 data centers across 36 countries on 6 continents, serving over 10,500 customers. More than half of those data centers are owned outright by Equinix and generate 70% of its recurring revenue. Equinix was incorporated in 1998, converted to a REIT in 2015, and now has a market cap of $103 billion.

Equinix raised its dividend by 10% to $20.64 annually in February 2026.

On February 27th, 2026, Equinix, along with CPP Investments, agreed to purchase atNorth, a Nordic data center provider, for approximately $4 billion. Equinix will own 40% of atNorth, and CPP will own the remaining 60%.

On April 29th, 2026, Equinix reported its first-quarter 2026 results. Revenue rose 10% year-over-year to $2.44 billion, marking 93 consecutive quarters of growth. Its adjusted funds from operations (AFFO) per share grew 12% to $10.79.

Management increased its 2026 annual guidance and now expects full-year revenue of $10.14 billion to $10.24 billion, AFFO of $4.198 to $4.278 billion, and AFFO per share to increase by about 11.4% at the midpoint.

Safety & Dividend Risk Analysis

The main competitive advantage of Equinix is its global platform spanning 36 countries, which contain the industry's largest and most active ecosystem of partners in its data centers, creating a network effect that improves performance and lowers costs for customers. The trust has an S&P credit rating of BBB+ and a consolidated net-debt-to-adjusted-EBITDA ratio of 3.8x, which is within the 3x-4x range set by management.

Equinix was negatively affected by the Great Recession, as net income decreased nearly 50%, but the corporation paid no dividend at the time. It took until 2012 to surpass the net income levels seen in 2008. The COVID-19 pandemic had the opposite effect on Equinix compared to the Great Financial Crisis, as technology and data usage increased significantly amid lockdowns and remote work, effectively boosting adjusted funds from operations. Equinix has a conservative payout ratio of just 48% forecast for this year.

Growth, Value & Expected Total Return Analysis

Equinix has grown its revenue for twenty-three years in a row and has grown its AFFO per share every year for over a decade. Over the past nine and five years, respectively, Equinix has grown its AFFO per share at average annual rates of 11% and 9%. The high growth rate, combined with its consistency, is a testament to Equinix's strong business model. We expect 9% average annual growth of AFFO per share over the next five years.

The REIT trades at 24.2 times projected AFFO per share, above our fair value estimate of 23.5. This implies the potential for a 0.6% annualized valuation headwind over the next five years. Given also the 2.0% dividend yield and expected 9.0% annual AFFO per share growth, we anticipate annualized total returns of 10.2% over the next five years.

Realty Income Corp. (O)

Dividend Yield: 5.2%
5-Year Expected Annual Total Returns: 10.5%

Overview & Current Events

Realty Income (O) is a retail real estate-focused REIT that has become famous for its successful dividend growth history and monthly dividend payments. Today, it owns over 15,500 properties throughout the U.S., the U.K., and Continental Europe. It owns retail properties that are not part of a wider retail development (such as a mall) but instead are standalone properties. Its properties range from 7-Eleven convenience stores (its largest tenant) all the way up to a 21.9% stake in the world-famous Bellagio hotel and casino in Las Vegas.

On May 6th, Realty Income released its financial results for the first quarter ended March 31, 2026. Total revenue rose by 12.2% year-over-year to $1.55 billion in the quarter. The primary growth catalyst for Realty Income was the carryover effect of its $6.2 billion in investment volume in 2025 (a selectivity rate of merely 5%), as well as its $2.6 billion in pro-rata investment volume in Q1 2026 (with a selectivity rate of 9%). Contractual rent increases also resulted in 0.8% same store rental revenue growth during the quarter. The quality of Realty Income's properties allowed it to renew leases at higher rents than the previous rent (the recapture rate was 103.4% in Q1 2026) for the quarter. The occupancy rate also ticked up 40 basis points over the year-ago period to 98.9% in the quarter. Adjusted funds from operations (AFFO) per share grew by 6.6% year-over year to $1.13.

Safety & Dividend Risk Analysis

Realty Income's primary competitive advantage is its cost of capital, which creates a virtuous cycle that smaller competitors can't match. This allows it to win deals that other REITs can't. That has enabled the REIT to grow its AFFO per share in each of the last 10 years. Its 34.5% net debt to total enterprise value (as of March 31, 2026) is very strong. This is how it possesses an A- S&P credit rating with a stable outlook.

The dividend also appears to be reasonably safe, with the payout ratio set to be in the mid-70% range for 2026. That is why we think that it can build on its 32-year dividend growth streak with at least 3% annual dividend growth for the foreseeable future.

Growth, Value & Expected Total Return Analysis

Since 2016, Realty Income has generated almost 5% annual AFFO per share growth. We expect 3.5% annual AFFO per share growth through 2031, off an anticipated 2026 base of $4.41. The growth runway remains long, with over $14 trillion of commercial net lease real estate in the U.S. and Europe. That gives it the ability to remain highly selective with the properties it acquires and to still grow at a slow and steady pace. Realty Income is also investing more heavily into Europe (almost half of total Q1 2026 investment volume).

Realty Income stock trades for a price-to-FFO ratio of 14.1, which is below our fair value ratio of 16. Accordingly, we see a 2.7% annualized boost from a potential valuation multiple expansion. Along with the 3.5% expected growth of FFO per share and the 5.2% dividend yield, we forecast annual total returns of 10.5% through 2031.

Terreno Realty Corp. (TRNO)

Dividend Yield: 3.1%
5-Year Expected Annual Total Returns: 9.5%

Overview & Current Events

Terreno Realty Corporation specializes in acquiring, owning, and operating industrial real estate in key coastal markets across the United States, including Los Angeles, Northern New Jersey/New York City, San Francisco Bay Area, Seattle, Miami, and Washington, D.C. Its portfolio includes warehouse/distribution, flex, transshipment, and improved land. Terreno now owns 310 buildings totaling 19.9 million square feet, 46 improved land parcels covering about 147.0 acres, and has five properties under development or redevelopment.

On May 6th, 2026, Terreno Realty posted its Q1 results for the period ending March 31, 2026. Revenue grew by 12.7% compared to the same quarter last year, reaching $124.4 million, up from $110.4 million in the same quarter of 2025. This increase in revenues was primarily driven by higher rental revenues and tenant expense reimbursements across Terreno's six core coastal markets. Cash rents on new and renewed leases commencing during the quarter increased by 22.4%, covering about 0.7 million square feet in the operating portfolio and 7.2 acres in the improved land portfolio. Tenant retention for the operating portfolio stood at 72.6% for the quarter. Portfolio occupancy at the end of the quarter was 96.3%, while same-store occupancy stood at 97.6%. Terreno reported basic funds from operations (FFO) per diluted share of $0.68 for the quarter, up 10% from $0.62 year-over-year.

Safety & Dividend Risk Analysis

Terreno Realty Corporation's properties offer strategic advantages, with prime locations in major coastal U.S. markets and functional designs tailored to tenant needs. Its wide tenant base of nearly 600 tenants ensures stable occupancy rates, while proactive property management maintains high standards and tenant satisfaction. Additionally, properties in shrinking supply submarkets present opportunities for value enhancement through redevelopment, giving Terreno an edge against some of its industry peers. It's also worth noting that the remaining weighted average lease term of its property portfolio stands 4.0 years, providing a nice mix of cash flow visibility and renewal opportunities.

Growth, Value & Expected Total Return Analysis

Terreno Realty strategically positions itself in sub-markets with constrained supply, where industrial supply has declined by about 20% since 2010, supporting pricing power. This shrinking-supply backdrop exemplifies Terreno's focus on markets with limited new inventory. About 43% of its portfolio is located in shrinking supply sub-markets. Furthermore, 39% of its portfolio operates in sub-markets with no net new supply. We believe this focus on property investing provides an edge for the company, which is why expect above-average FFO/share and DPS growth rates of 8% over the medium-term.

TRNO trades at 23.6 times projected FFO per share, above our fair value estimate of 22. A declining P/FFO multiple could reduce annual shareholder returns by 1.3%. The 3.1% dividend yield plus 8.0% annual FFO per share growth, lead to expected annualized total returns of 9.5% over the next five years.

SBA Communications Corp. (SBAC)

Dividend Yield: 2.4%
5-Year Expected Annual Total Returns: 9.0%

Overview & Current Events

SBA Communications is a leading independent owner and operator of wireless communications infrastructure, primarily including tower structures that support antennas used for wireless communications. The company owns over 46,000 tower sites which it leases to multiple wireless telecom providers. SBA also owns a site development business, which assists telecom providers in developing and maintaining their own wireless service networks. SBA has a $22 billion market cap.

On April 29th, 2026, SBA reported Q1 results. Site leasing revenue was $656.1 million, up 6.5% year-over-year, while site development revenue declined 1.6% to $47.3 million, bringing total revenue to $703.4 million. Adjusted EBITDA increased 4.0% to $475.4 million, while adjusted funds from operations (AFFO) fell 6.5% to $321.7 million. On a per share basis, AFFO decreased 4.7% to $3.03, with net cash interest expense increasing 32.1% year-over-year.

Management raised its FY2026 outlook across key metrics, guiding to site leasing revenues of $2.649–$2.674 billion and AFFO per share of $11.93–$12.38.

Safety & Dividend Risk Analysis

We consider SBA's dividend quite safe and widely covered by the underlying AFFO. The company enjoys several qualities, including a highly scalable business model, a credit-worthy tenant base of telecom majors, contractually secured and predictable revenue, and a clear runaway for growth.

The company also enjoys a distinct competitive advantage along with the handful of other tower REITs, which have formed an oligopoly in the space, which has become quite expensive to penetrate into. Unlike traditional real estate properties, whose tenants may struggle to pay rent during a potential recession, telecom companies have resilient revenue. This was proven both during the Great Recession and the COVID-19 pandemic, when revenue grew during both periods.

Growth, Value & Expected Total Return Analysis

Future growth will be driven partly by acquisitions. During the last quarter, SBA acquired 10 communication sites, as well as land rights under about 3,900 sites in Guatemala, for total cash consideration of $133.0 million, and built 80 towers. Subsequent to quarter end, the company purchased or is under contract to purchase 56 additional sites for $36.9 million, expected to close by the end of Q3 2026. Further, the company maximizes its tower capacity by accommodating multiple tenants per tower structure without incurring additional costs just by placing additional antennas.

SBA is trading at a price-to-FFO ratio of 17, below our fair value estimate of 17.5. This slight valuation gap could produce 0.5% annualized valuation returns over the next five years. Also given 6.0% expected growth of FFO per share and the 2.4% dividend, the REIT could offer a 9.0% total annual return over the next five years.

NNN REIT Inc. (NNN)

Dividend Yield: 5.2%
5-Year Expected Annual Total Returns: 9.3%

Overview & Current Events

NNN REIT, Inc. (NNN) is a triple-net lease REIT that owns single-tenant retail properties across the United States, with a market capitalization of approximately $8.4 billion. The company is focused on retail customers with long-term leases of 10 years or longer (the weighted average remaining lease term across the portfolio is 10.1 years), and these contracts come with embedded contractual rent escalations of 1% to 2% annually. It has more than 3,700 properties. It is also characterized by very high occupancy rates, which reached 98.6% at the end of Q1 2026. NNN is a Dividend Champion with 36 consecutive years of dividend increases.

On April 30th, 2026, NNN shared its earnings report for the first quarter. The REIT's revenue grew by 4.1% over the year-ago period to $240.4 million. NNN deployed $145.4 million to acquire 41 properties at an accretive initial cap rate of 7.5% in the quarter (with a weighted average lease term of 19 years). The occupancy rate also improved by roughly 90 basis points year-over-year to 98.6% in Q1 2026. Contractual rent escalations were yet another tailwind. NNN's core funds from operations (FFO) per share was unchanged at $0.86 for the quarter. This was also in line with the analyst consensus during the quarter. NNN raised its core FFO per share guidance to a new midpoint of $3.51 for 2026.

Safety & Dividend Risk Analysis

NNN's competitive advantage comes from a cost-of-capital advantage, high tenant switching costs, and a unique relationship-driven sourcing strategy. The cost of capital advantage arises from NNN's BBB+ S&P credit rating, with a stable outlook and its self-funding flywheel. The core FFO payout ratio is set to be in the high-60% range in 2026, which leaves ample retained core FFO for acquisitions and continued dividend increases. The physical location of NNN's properties is also crucial to the business equity and brand awareness of tenants, which disincentivizes them from walking away when a lease expires. Finally, the majority of the net lease REIT's deals come from long-term relationships with multi-unit retail operators.

Growth, Value & Expected Total Return Analysis

NNN's core FFO per share has compounded by roughly 4% annually. Accounting for the company's greater size and scale, we're assuming a deceleration in the core FFO per share growth rate to 3% annually through 2031, off an anticipated 2026 base of $3.52. This takes into consideration a 1% to 2% annual contribution to growth through rent escalators. It also accounts for modest growth through accretive acquisitions and steadily high occupancy.

We expect 3.0% growth of FFO per share over the next five years. The REIT is trading at a price-to-FFO ratio of 13.2, which is below our assumed fair price-to-FFO of 14.5. Valuation expansion could boost annual total returns by 2.0% over the next five years. Combined with the 5.2% dividend yield and 3.0% growth rate, NNN could produce a 9.3% average annual return over the next five years.

Equity LifeStyle Properties Inc. (ELS)

Dividend Yield: 3.4%
5-Year Expected Annual Total Returns: 8.9%

Overview & Current Events

Equity LifeStyle Properties is a REIT which engages in the ownership and operation of lifestyle-oriented properties consisting primarily of manufactured home and recreational vehicle communities. Equity LifeStyle Properties has two main business segments: Property Operations, and Home Sales and Rental Operations. Today, Equity LifeStyle Properties owns or has an interest in 453 properties in 35 states and British Columbia, comprising 173,419 sites. The REIT has a $12.4 billion market cap.

On April 21st, 2026, Equity LifeStyle Properties reported Q1 results for the period ending March 31, 2026. It reported funds from operations (FFO) per share of $0.83, essentially flat year-over-year, while normalized FFO rose 0.3% to $0.84 per share. Manufactured home (MH) base rental income increased 5.7%, while RV and marina base rental income declined 1.4%, as 4.2% growth in annual RV and marina base rental income was more than offset by weaker seasonal and transient revenues.

Management updated its 2026 guidance, expecting FFO per share of $3.11 to $3.21 and normalized FFO per share of $3.12 to $3.22. Furthermore, MH base rental income is anticipated to grow by 5.1% to 6.1%, while RV and marina base rental income is likely to rise 1.9% to 2.9% for the full year.

Safety & Dividend Risk Analysis

Amidst the Great Recession, from 2007 through 2010, Equity LifeStyle performed very well. FFO increased by 5% from 2007 to 2008, followed by a further 12% growth in 2009, rising from $0.76 per share at the beginning of the period to $0.99 per share. During the COVID-19 pandemic, the trust saw similar results. In 2020, FFO grew 4% to $2.17 per share. As a result of this strong performance during difficult times, we view Equity LifeStyle as a resilient, high-quality REIT. Furthermore, its 4.5x leverage ratio and 5.6x interest coverage ratio reflect a solid balance sheet.

Equity LifeStyle has increased its dividend for 22 years in a row. The dividend is well covered, with only 68% of FFO forecast to be paid out this year. Impressively, ELS has maintained a dividend payout ratio below 70% since 2005.

Growth, Value & Expected Total Return Analysis

Over the past ten years, ELS has had an FFO per share compound annual growth rate of 7.0% and a five-year CAGR of 4.7%. Acquiring more properties and boosting core income from operations will support steady FFO growth in the future. We believe 5.0% annual FFO per share growth is a reasonable expectation over the next five years.

Equity LifeStyle currently trades at 20.1 times 2026 projected FFO per share of $3.18. Our fair value estimate for this REIT is a P/FFO ratio of 21.0. Valuation multiple expansion could boost annual shareholder returns by 0.9%. In addition to the 3.4% dividend yield and 5.0% annual FFO per share growth, the REIT could produce annualized total returns of 8.9% over the next five years.

EastGroup Properties Inc. (EGP)

Dividend Yield: 3.1%
5-Year Expected Annual Total Returns: 7.8%

Overview & Current Events

EastGroup Properties is an internally managed REIT with a 57-year history. The trust is a leading provider of multi-tenant distribution and logistics facilities primarily in Sunbelt markets, such as Florida, Texas, Arizona, California, and North Carolina. The REIT owns 556 industrial properties in 12 states, with no single tenant accounting for more than 1.5% of the total annualized base rent (ABR). EastGroup has a $10.8 billion market cap.

On April 22nd, 2026, EastGroup reported its Q1 results for the period ending March 31, 2026. For the quarter, income from real estate operations totaled $190.2 million, up from $172.6 million in the prior-year period, reflecting continued contribution from same-property growth, acquisitions, and recently delivered development projects.

Funds from operations (FFO) of $125.3 million rose 11.9% year-over-year, while FFO per diluted share rose 8.8% to $2.34. Excluding gains on involuntary conversion and business interruption claims, FFO per share was $2.30, compared to $2.12 in Q1 2025. As in prior periods, per-share growth reflected solid operating performance, partially offset by share dilution.

Management expressed confidence in the company's positioning heading into the balance of 2026, citing limited supply, strong development leasing activity, and a strong balance sheet. The company raised its 2026 FFO per share guidance to a range of $9.46 to $9.66, up from its initial range of $9.40 to $9.60.

Safety & Dividend Risk Analysis

EastGroup boasts some of the highest quality attributes among its peers. These include high occupancy rates, excellent rental growth prospects amid favorable demographics, and relatively cheap financing, with an average cost of debt of around 3.43%. We believe the company displays a significant competitive advantage by specializing in the Sunbelt markets. Further, EastGroup has raised its dividend for 15 consecutive years and is offering a 3.1% dividend yield. Given its healthy payout ratio of 65% and consistent growth trajectory, we believe the REIT will continue raising its dividend for many years.

Growth, Value & Expected Total Return Analysis

EastGroup boasts one of the most impressive performance records in the REIT sector. It benefits notably from an ever-rising demand for distribution centers amid e-commerce's growth and excellent demographic tailwinds. The REIT's properties are located in 13 of the 15 fastest-growing markets in the U.S. Its two largest states (by ABR), Texas (~34% of ABR) and Florida (~25% of ABR), are likely to see strong rental growth ahead amid their overall net increases in populations and income-tax-free statuses.

We expect 8.0% growth of FFO per share over the next five years. The REIT is trading at a price-to-FFO ratio of 21.0, which is above our assumed fair price-to-FFO of 18.0. Valuation multiple compression could drag annual total returns by 3.1% over the next five years. Still, thanks to the 3.1% dividend yield and 8.0% growth rate, EastGroup could offer a 7.8% average annual return over the next five years.

First Industrial Realty Trust Inc. (FR)

Dividend Yield: 3.2%
5-Year Expected Annual Total Returns: 7.4%

Overview & Current Events

First Industrial Realty Trust is a leading owner, operator, developer, and acquirer of logistics real estate with a track record of providing industry-leading customer service to multinational corporations and regional customers. It has a diversified tenant base, and its top twenty tenants account for approximately 26% of its net rent. In total, the trust owns and has under development roughly 71.6 million square feet of industrial space and has an $8.3 billion market cap.

On April 16th, 2026, First Industrial reported Q1 results for the period ending March 31, 2026. The company reported funds from operations (FFO) of $0.68 per share, unchanged from last year, or $0.72 per share excluding advisory costs related to a contested proxy campaign. Same-store NOI rose 8.7%, driven by higher rental rates on new and renewal leases, lower free rent, and contractual rent escalations, partially offset by lower average occupancy. In-service occupancy was 94.3%, down slightly from 94.4% at year-end.

Leasing momentum remained healthy, with cash rental rates up 32% on commenced leases and 41% on signed leases commencing in 2026. Management also reaffirmed 2026 FFO guidance of $3.09 to $3.19 per share excluding advisory costs, with expected same-store NOI growth of 5% to 6% and average quarter-end occupancy of 94% to 95%.

Safety & Dividend Risk Analysis

First Industrial's recession performance has varied. FFO fell from $2.08 per share in 2009 to $(1.71) in 2010 during the Great Recession but rebounded to $0.89 in 2011. In the COVID-19 pandemic, FFO grew 6% year-over-year, reaching $1.84 per share in 2020.

First Industrial has an S&P credit rating of BBB, which is investment grade. The interest coverage ratio is 3.9, and the trust sports a debt-to-equity ratio of 0.9, which is considered very good for a healthy balance sheet. The REIT's dividend payout ratio of 64% based on 2026 FFO is considered secure. Furthermore, First Industrial has increased its dividend for 14 consecutive years, and this trend is likely to continue.

Growth, Value & Expected Total Return Analysis

First Industrial Realty has a solid track record of FFO growth. It has recorded a 10-year FFO per share growth rate of 8.3% and a 5-year compound annual growth rate of 9.8%. Additionally, its dividend has grown by 13.1% over the past five years. First Industrial's primary growth opportunities lie in acquiring industrial properties and developing new facilities. We expect annual FFO per share growth of 6.0% over the next five years.

Based on forecast 2026 FFO per share of $3.13, First Industrial stock trades for a price-to-FFO ratio of 20.1. This compares to its ten-year average P/FFO ratio of 22.3. We believe fair value for the stock is 18.5 times FFO. As a result, First Industrial is modestly overvalued. A contracting P/FFO multiple could reduce annual returns by 1.6% over the next five years. Still, expected FFO growth of 6.0% and the dividend yield of 3.2% could lead to total annual returns of 7.4%.

Prologis Inc. (PLD)

Dividend Yield: 2.9%
5-Year Expected Annual Total Returns: 6.3%

Overview & Current Events

Prologis is the largest industrial U.S. REIT by far, owning about 1.3 billion square feet of real estate in 20 countries. For context, Public Storage (PSA), the second-largest U.S. industrial REIT in the sector, has a market cap of around $57 billion, less than half of Prologis' $136 billion market cap. The company has a diversified rent collection base, comprising about 6,500 customers across its owned-and-managed operating portfolio. Prologis was founded in 1983 and is based in San Francisco, California.

On April 16th, 2026, Prologis reported its Q1 results for the period ending March 31, 2026. For the period, rental and other revenues increased by about 6.9% year-over-year to $2.14 billion. Strategic capital revenues came in at $161 million. Total revenue grew by about 7.4% year-over-year to $2.30 billion. Core funds from operations (FFO) per share grew by 5.6% year-over-year to $1.50 supported by solid operating performance and continued leasing strength.

Prologis maintained strong activity with 66.7 million sq. ft. of lease commencements and $387 million in estimated value creation from development stabilizations. Management highlighted record lease signings and continued demand resilience, alongside progress in scaling its data center platform and strategic capital partnerships. Reflecting this backdrop, Prologis raised its FY 2026 Core FFO per share guidance to a range of $6.07 to $6.23. The midpoint of this range implies a year-over-year growth of about 6%.

Safety & Dividend Risk Analysis

Prologis has an over 95% occupancy rate and has grown FFO per share every year of the last decade (including the difficult 2020 period), except for 2024 (a small 0.9% decline). Management's outlook points to further growth, and its payout ratio, at 70%, supports ongoing dividend hikes in line with decent FFO per share growth.

Although interest rates remain high, Prologis' healthy financials and status as the largest industrial U.S. REIT allows it to maintain competitive borrowing rates, with its weighted average borrowing rate standing at 3.3% at the end of last quarter. This advantage bolsters Prologis' dividend stability, even in challenging environments for REITs.

Growth, Value & Expected Total Return Analysis

Over the past five years, Prologis has achieved a CAGR of 8.0% in FFO per share due to its successful acquisition strategy and development of logistics properties at prime locations. Looking ahead, we expect that Prologis can generate FFO per share growth of 8% through 2031, leveraging its unique ability to realize substantial economies of scale.

Prologis trades at 23.8 times projected FFO per share of $6.15 in Fiscal 2026. Our fair value estimate for this REIT is a P/FFO ratio of 19.0. This implies the potential for valuation compression, which could reduce annual shareholder returns by 4.4%. Prologis' 2.9% starting dividend yield, expected 8.0% annual FFO per share growth, and 4.4% valuation-multiple compression give the REIT expected annualized total returns of 6.3% over the next five years.

Ranking Procedure

The method we use to compute the rankings for the Top 10 REITs is as follows:

Note: Rankings are done using *Sure Analysis Research Database* data. We typically create our rankings using data from the Wednesday before the special report publishes.

1. Exclude all non-REITs.
2. Exclude all international REITs.
3. Exclude all REITs with less than five years of consecutive dividend increase.
4. Sort by Dividend Risk Score, highest to lowest.
5. Filter for expected total returns above that of the S&P 500.
6. Sort each Dividend Risk Score group by expected total return, from highest to lowest.
7. Manually review each REIT for safety. The review process looks at dividend history, payout ratio, and qualitative factors.

Our expected total returns are calculated in the *Sure Analysis Research Database*. They are based on expected returns over the next five years. Our expected total returns take into account dividends, growth, and valuation returns.

We compare all 950+ securities in *Sure Analysis* – including ~100 REITs – to one another using the same expected total return framework. This means we can compare the REITs in our database to one another on an "apples-to-apples" basis. This is necessary to create the rankings in the Top 10 REITs service.

Note that our expected total returns are based on the idea that the economy will continue forward "as is" for the foreseeable future, and not encounter a recession. Recessions happen, of course, and we seek to recommend securities likely to pay steady or rising dividends during recessions.

COVID-19 was especially hard on REITs in general. As a result, 2020 and 2021 represent excellent "test years" to show the dividend safety of REITs even in an extremely difficult operating environment. Avoiding REITs that reduced their dividends in 2020 or 2021 serves as a helpful screen in identifying REITs likely to pay steady or rising dividends into the future.

The goal of our Top 10 REITs service is to find REITs that have solid dividend yields, provide reasonable safety, the likelihood of steady or rising dividends in the future, and that offer solid expected total returns ahead. We believe the ranking procedure outlined above combined with our extensive research done in the *Sure Analysis Research Database* identifies securities very likely to match these characteristics going forward.

REIT Tax Guide

The organizational form of a company is important for tax purposes because it determines how efficiently a company can return money to investors. An example is below.

Example: Imagine a company makes $10, pre-tax, and distributes 100% to investors. The image below shows how much of the $10 would go to investors using standard assumptions if the $10 was earned and distributed by a corporation versus a REIT:

Note: *The table below assumes that 70% of REIT payments are ordinary income; and capital gains and return of capital each make up 15% of REIT payments.*

Corporation	
Pre-Tax Income	$10.00
Corporate Income Tax	-$2.10
After-Tax Income	**$7.90**
Qualified Dividend Tax	-$1.58
Dividend After Tax	**$6.32**

REIT	
Distributable Cash	$10.00
After-Tax Funds From Operations	**$10.00**
Ordinary Income Tax @37%	-$2.07
Capital Gains Tax @20%	-$0.30
Return of Capital Tax @20%	-$0.30
Distribution After Taxes	**$7.33**

Note that REITs avoid double taxation because they *are not taxed at the organization level*. REITs are in between MLPs and Corporations in terms of both complexity and tax advantages. REITs are required to pay out 90%+ of their income.

REITs are organized as trusts. As a result, “shareholders” are actually unit holders.

REITs issue 1099 forms (just like corporations) instead of K-1 forms (like MLPs do). Unit holders technically receive distributions, not dividends (just like MLPs). REIT distributions fall into three categories: ordinary income, return of capital, and capital gains.

Ordinary income is taxed at your ordinary income tax rate; up to 37%. Note: these distributions may benefit from a 20% deduction in qualified business income. Return of capital reduces your *cost basis* (your purchase price for the security, which increases capital gains tax when you sell). Capital gains are taxed at either short-term or long-term capital gains rates.

The percentage of distributions from these three sources varies by REIT. In general, ordinary income tends to be the majority of the distribution. Expect around 70% of distributions as ordinary income, 15% as a return of capital, and 15% as capital gains.

REITs are best suited for retirement accounts because the majority of their payments are taxed as ordinary income. Retirement accounts remove this negative and make REITs very tax advantageous. This doesn’t mean you should never own a REIT in a taxable account. A good investment is a good investment, regardless of tax issues. But if you have the choice, REITs should be placed in a retirement account such as an IRA or 401k.

List of REITs By Expected Total Returns

Each of the REITs in the *Sure Analysis Research Database* is sorted below (from highest to lowest) by expected 5-year total returns using data from the [Sure Analysis Research Database](). Dividend yield is included next to each REIT's ticker symbol.

Click on the name of any REIT below to go to that REIT's *Sure Analysis* page (if you are a member of the [Sure Analysis Research Database]()).

1. Ellington Credit Co. (EARN): 20.2%
2. Rexford Industrial Realty Inc (REXR): 5%
3. NexPoint Residential Trust Inc (NXRT): 7.3%
4. Community Healthcare Trust Inc (CHCT): 10.8%
5. VICI Properties Inc (VICI): 6.4%
6. Marriott Vacations Worldwide Corp. (VAC): 3.6%
7. True North Commercial REIT (TUERF): 8.4%
8. UMH Properties Inc (UMH): 5.9%
9. Innovative Industrial Properties Inc (IIPR): 12.9%
10. Canadian Apartment Properties Real (CDPYF): 4.4%
11. American Tower Corp. (AMT): 3.8%
12. Essential Properties Realty Trust Inc (EPRT): 4.2%
13. American Homes 4 Rent (AMH): 3.9%
14. Four Corners Property Trust Inc (FCPT): 5.9%
15. Dynex Capital, Inc. (DX): 15.8%
16. EPR Properties (EPR): 6.3%
17. Gladstone Commercial Corp (GOOD): 9.4%
18. Orchid Island Capital Inc (ORC): 18.1%
19. Realty Income Corp. (O): 5.3%
20. UDR Inc (UDR): 4.4%
21. Gaming and Leisure Properties Inc (GLPI): 6.9%
22. CubeSmart (CUBE): 5.1%
23. Alpine Income Property Trust Inc (PINE): 6.1%
24. BSR Real Estate Investment Trust (BSRTF): 4.8%
25. American Assets Trust Inc (AAT): 5.6%
26. Bridgemarq Real Estate Services Inc. (BREUF): 10.5%
27. STAG Industrial Inc (STAG): 4.1%
28. Equinix Inc (EQIX): 1.9%
29. Boardwalk Real Estate Investment (BOWFF): 2.9%
30. Agree Realty Corp. (ADC): 4.3%
31. Mid-America Apartment Communities (MAA): 4.4%
32. NNN REIT Inc (NNN): 5.2%
33. LXP Industrial Trust (LXP): 5.3%
34. Universal Health Realty Income Trust (UHT): 7.5%
35. Terreno Realty Corp (TRNO): 3.1%
36. SBA Communications Corp (SBAC): 2.4%
37. Equity Lifestyle Properties Inc. (ELS): 3.4%
38. Sun Communities, Inc. (SUI): 3.6%
39. AvalonBay Communities Inc. (AVB): 3.8%
40. LTC Properties, Inc. (LTC): 6.2%
41. Getty Realty Corp. (GTY): 5.8%
42. Equity Residential Properties Trust (EQR): 4.1%
43. Netstreit Corp (NTST): 4.3%
44. Healthpeak Properties Inc. (DOC): 6%
45. GO Residential Real Estate (GONYF): 4.7%
46. Federal Realty Investment Trust. (FRT): 3.6%
47. CareTrust REIT Inc (CTRE): 4.2%
48. BTB Real Estate Investment Trust (BTBIF): 8.1%
49. Canadian Net Real Estate Investment (CNNRF): 5.3%
50. EastGroup Properties, Inc. (EGP): 3.1%
51. Firm Capital Property Trust (FRMUF): 7.9%
52. Invitation Homes Inc (INVH): 4%
53. Flagship Communities Real Estate (MHCUF): 3.3%
54. First Industrial Realty Trust, Inc. (FR): 3.2%
55. AGNC Investment Corp (AGNC): 14%
56. Dream Office Real Estate Investment (DRETF): 5.9%
57. CT Real Estate Investment Trust (CTRRF): 5.5%
58. Nexus Industrial REIT (EFRTF): 8.2%
59. Northview Residential REIT (NRRUF): 6.9%
60. Prologis Inc (PLD): 2.9%
61. Brixmor Property Group Inc (BRX): 3.9%
62. Chiron Real Estate Inc. (XRN): 5.2%
63. Camden Property Trust (CPT): 3.7%
64. Morguard North American (MNARF): 4.8%
65. W. P. Carey Inc (WPC): 4.9%
66. RioCan Real Estate Investment Trust (RIOCF): 5.2%
67. Urban Edge Properties (UE): 3.6%
68. Crombie Real Estate Investment (CROMF): 5.4%
69. Kite Realty Group Trust (KRG): 4%
70. COPT Defense Properties (CDP): 3.7%
71. Regency Centers Corporation (REG): 3.8%
72. Essex Property Trust, Inc. (ESS): 3.6%
73. SmartStop Self Storage REIT, Inc. (SMA): 4.9%
74. Granite Real Estate Investment Trust (GRTUF): 3.7%
75. Gladstone Land Corp (LAND): 6%
76. National Storage Affiliates Trust (NSA): 5%

77. Allied Properties Real Estate (APYRF): 7.5%
78. Lamar Advertising Co (LAMR): 4.3%
79. Plaza Retail REIT (PAZRF): 6.3%
80. Simon Property Group, Inc. (SPG): 4.3%
81. Kimco Realty Corporation (KIM): 4.1%
82. Tanger Inc. (SKT): 3.2%
83. Automotive Properties Real Estate (APPTF): 6.8%
84. SmartCentres Real Estate Investment (CWYUF): 6.4%
85. Killam Apartment REIT (KMMPF): 3.9%
86. Apple Hospitality REIT, Inc. (APLE): 6.1%
87. Acadia Realty Trust (AKR): 3.7%
88. Choice Properties Real Estate (PPRQF): 4.9%
89. Dream Industrial Real Estate (DREUF): 5.1%
90. Pro Real Estate Investment Trust (PRVFF): 6.7%
91. Iron Mountain Inc. (IRM): 2.7%
92. Postal Realty Trust Inc (PSTL): 4.2%
93. NorthWest Healthcare Properties (NWHUF): 6.8%
94. Slate Grocery REIT (SRRTF): 6.9%
95. Modiv Industrial Inc (MDV): 6.4%
96. Phillips Edison & Company Inc (PECO): 3.1%
97. First Capital Real Estate Investment (FCXXF): 4%
98. Morguard Real Estate Investment (MGRUF): 3.9%
99. National Healthcare Corp. (NHC): 1.4%
100. ARMOUR Residential REIT Inc (ARR): 16.8%
101. InvenTrust Properties Corp. (IVT): 2.9%
102. H&R Real Estate Investment Trust (HRUFF): 5.9%
103. Minto Apartment REIT (MIAPF): 3.1%
104. Chartwell Retirement Residences (CWSRF): 3%