BTB Real Estate Investment Trust (BTBIF)

Updated August 24th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$2.83	**5 Year Annual Expected Total Return :**	6.9%	**Market Cap:**	$250 M
Fair Value Price:	$2.85	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	08/28/2026
% Fair Value:	99%	**5 Year Valuation Multiple Estimate:**	0.1%	**Dividend Payment Date:**	09/15/2026
Dividend Yield:	7.8%	**5 Year Price Target**	$2.85	**Years Of Dividend Growth:**	0
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Sell

Overview & Current Events

BTB Real Estate Investment Trust is a Canadian REIT that owns, operates, and actively manages a portfolio of industrial, suburban office, and necessity-based retail properties, with a strong concentration in Québec and Eastern Ontario and a growing presence in Western Canada. As of June 30th, 2026, BTB owned 74 income-producing properties totaling about 6.0 million square feet and $916 million in assets. The portfolio was weighted 38% toward industrial properties, 41% toward suburban offices, and 21% toward necessity-based retail by fair value. Following the approximately $14.2 million sale of two office properties in August, the portfolio declined to 72 properties. The REIT generated $90.4 million in revenues last year and now trades at a market cap of $250 million. It reports its financials in CAD and pays dividends on a monthly basis. All figures in this report have been converted to USD unless otherwise noted.

On August 11th, 2026, BTB REIT reported its Q2 results for the period ended June 30th, 2026, with rental revenue of $23.0 million, up 4.5% year-over-year. The increase primarily reflected a $1.3 million negative straight-line rent adjustment recorded last quarter, along with acquisition contributions and higher rents, partly offset by tenant departures, free-rent periods, and the rent reduction granted to Lion Electric. Net operating income rose 10.5% to $13.7 million, while cash same-property NOI was essentially flat at $13.5 million.

Portfolio occupancy was 91.3%, up 10 basis points year-over-year, but down 50 basis points from the prior quarter. Leasing activity totaled approximately 378,000 square feet, with renewal rent growth of 4.6%. Adjusted FFO per unit increased to $0.070 from $0.060 last year, while adjusted AFFO per unit rose to $0.071 from $0.069. The adjusted AFFO payout ratio improved to 76.5%. For FY2026, we expect FFO per share of $0.30.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO	$0.35	$0.36	$0.30	$0.30	$0.27	$0.33	$0.32	$0.34	$0.29	$0.29	***$0.30***	***$0.30***
DPS	$0.31	$0.33	$0.31	$0.32	$0.27	$0.24	$0.22	$0.23	$0.21	$0.22	***$0.22***	***$0.22***
Shares[1]	38.5	43.7	52.4	59.6	63.2	70.6	83.4	86.3	88.0	88.0	***89.1***	***100.0***

BTB's FFO per share trajectory has been somewhat underwhelming over the past decade. From 2015 through 2017, the modest improvement in FFO per share was due to a mix of portfolio expansion and steady property-level execution. The Trust spent these years adding assets and stabilizing cash flow via leasing and occupancy management, while keeping trust-level costs relatively contained, so incremental NOI translated into per-unit cash flow despite a rising unit count.

The downshift between 2018 and 2020 was largely about portfolio repositioning friction and a challenging operating environment, with per-unit cash flow pressured by a combination of dispositions/non-core pruning, higher financing costs, and heavier leasing/capital activity to protect occupancy. These issues were amplified by COVID-era disruption in 2020 (especially for office leasing velocity and tenant-related measures). Even where revenue held up, the Trust was managing through a period where "clean" NOI-to-FFO translation was less favorable because more dollars were being absorbed below NOI and in capital/leasing intensity.

[1] Share count is 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.

BTB Real Estate Investment Trust (BTBIF)

Updated August 24th, 2026, by Nikolaos Sismanis

From 2021 through 2024, we saw operational improvements. However, these were offset by higher cost of capital. Same-property performance and leasing improved through tilting the mix toward industrial (higher-quality cash flows and better leasing momentum), which supported the rebound into 2022–2023. However, by 2024 the per-unit decline was due to interest expense and refinancing/carry costs in a higher-rate environment, plus incremental dilution from DRIP participation. Last year, the REIT's performance was stable.

Moving forward, we expect no FFO per share growth as higher interest costs and capital recycling is likely to offset incremental NOI from its growing industrial portfolio. We also expect no growth in the dividend. The company slashed monthly payouts in 2020 from C$0.0350 per month to C$0.0250 per month. It has since been unchanged.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/FFO	9.7	10.0	12.0	12.0	9.3	9.7	8.4	7.4	9.3	8.9	***9.4***	***9.5***
Avg. Yld.	9.1%	9.2%	8.6%	8.9%	10.8%	7.5%	8.1%	9.2%	7.8%	8.5%	***7.8%***	***7.7%***

BTB has historically traded at 10x its FFO per share. Today, the REIT trades at 9.4 this year's expected FFO. We believe this multiple relatively fairly values the stock, as its past decade-average accurately reflects the risks involved in its investment case. The dividend yield now stands at 7.8%, and we expect it to be the primary driver of BTB's total return prospects in the coming years.

Safety, Quality, Competitive Advantage, & Recession Resiliency

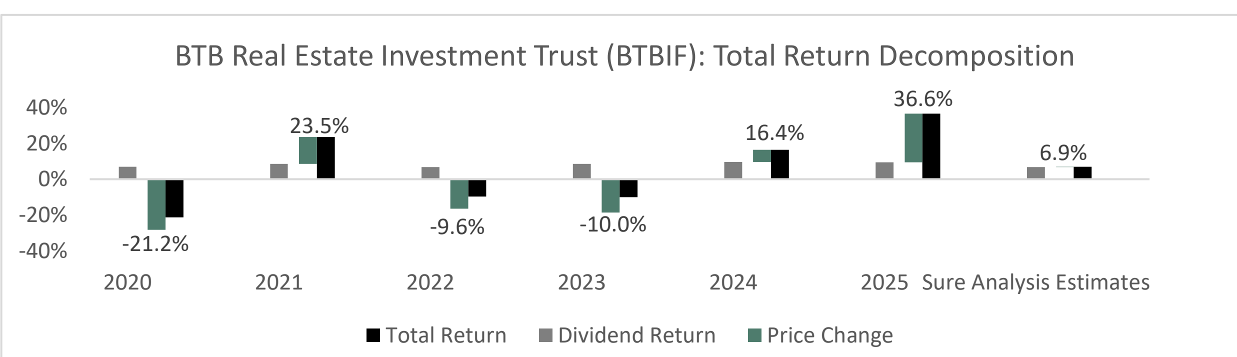
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	89%	92%	103%	107%	100%	73%	69%	68%	72%	76%	***73%***	***73%***

BTB shows a mixed risk profile. On the positive side, the REIT has been actively improving portfolio quality by increasing its exposure to industrial assets and necessity-based retail, which offer somewhat stable demand and better long-term fundamentals than office. However, financial safety is weaker, due to elevated leverage (58%). The decision to cut the distribution in 2020 also shows vulnerability during periods of stress. The portfolio's suburban office exposure further limits recession resilience, as office leasing demand remains structurally challenged. The payout ratio of 73% is healthier than in previous years, when it often exceeded 100%, so we believe the REIT can sustain its current dividend. Still, a prolonged downturn in the real estate sector wouldn't exclude the possibility of another dividend cut.

Final Thoughts & Recommendation

BTB REIT is making progress improving its asset mix, but elevated leverage, meaningful office exposure, and a history of a dividend cut limit its safety and near-term risk-adjusted appeal. We forecast an annualized total return potential of 6.9% over the medium-term to be powered mainly by the starting dividend yield. However, due to the lack of dividend growth in recent years, we rate the stock as a sell.

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.

BTB Real Estate Investment Trust (BTBIF)

Updated August 24th, 2026, by Nikolaos Sismanis

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	55	59	67	71	69	80	92	95	95	93
Gross Profit	31	31	37	38	38	45	54	56	55	54
Gross Margin	56.1%	52.9%	54.4%	54.3%	55.0%	56.1%	58.8%	58.9%	57.7%	58.1%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	0	0	0	0	0	0	0	0	0	0
Operating Profit	13	29	33	33	28	37	59	50	47	45
Operating Margin	22.7%	48.9%	49.3%	46.6%	40.5%	45.9%	64.7%	52.9%	49.1%	48.4%
Net Profit	17	22	32	39	2	34	29	27	28	16
Net Margin	30.1%	37.0%	47.3%	55.4%	3.1%	42.4%	31.9%	28.6%	29.8%	17.2%
Free Cash Flow	14	15	17	18	18	28	29	29	24	27
Income Tax	-	-	-	-	-	-	-	-	-	-

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	491	608	626	724	727	895	870	931	873	907
Cash & Equivalents	5	2	6	1	7	6	2	1	2	4
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Goodwill & Int. Ass.	-	-	-	-	-	-	-	-	-	-
Total Liabilities	332	410	408	450	459	574	529	569	591	549
Accounts Payable	-	-	-	-	-	-	-	-	-	-
Long-Term Debt	323	381	381	422	422	516	504	504	541	500
Shareholder's Equity	159	199	218	275	268	320	341	362	344	358
LTD/E Ratio	2.03	1.99	1.79	1.57	1.62	1.70	1.50	1.52	1.67	1.47

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.5%	3.9%	5.2%	5.8%	0.3%	4.2%	3.3%	3.0%	3.1%	1.8%
Return on Equity	11.7%	12.1%	15.3%	15.9%	0.8%	11.5%	8.9%	7.7%	8.0%	4.6%
ROIC	3.6%	4.0%	5.3%	5.9%	0.3%	4.3%	3.4%	3.1%	3.1%	1.8%
Shares Out.	38.5	43.7	52.4	59.6	63.2	70.6	83.4	86.3	88.0	-
Revenue/Share	-	-	-	-	-	-	-	-	-	-
FCF/Share	-	-	-	-	-	-	-	-	-	-

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