Dream Industrial Real Estate Investment Trust (DREUF)

Updated August 11st, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$9.94	**5 Year Annual Expected Total Return:**	3.7%	**Market Cap:**	$2.88 B
Fair Value Price:	$8.80	**5 Year Growth Estimate:**	1.0%	**Ex-Dividend Date:**	07/31/2026
% Fair Value:	113%	**5 Year Valuation Multiple Estimate:**	-2.4%	**Dividend Payment Date:**	08/14/2026
Dividend Yield:	5.2%	**5 Year Price Target**	$9.25	**Years Of Dividend Growth:**	1
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Dream Industrial REIT is an industrial REIT that owns and operates a high-quality portfolio of urban logistics and light industrial properties. At the end of Q2, the trust managed 348 industrial assets, comprising 565 buildings and about 75.7 million square feet of gross leasable area across Canada, the United States and Europe. The portfolio remains diversified across urban logistics, distribution and light-industrial properties. Dream Industrial is listed on the Toronto Stock Exchange under the ticker DIR.UN and trades in the U.S. under the symbol DREUF, with a market capitalization of about $2.88 billion.

On August 4th, 2026, Dream Industrial REIT posted its Q2 results for the period ended June 30th, 2026. Net rental income increased 8.1% year-over-year to $72.1 million, driven by strong organic growth, acquisitions, completed developments and higher property management income. CP NOI on a constant-currency basis rose 10.3% to $73.0 million, including growth of 14.6% in Canada and 5.6% in Europe. FFO totaled $56.2 million, or $0.20 per unit, up 7.8% year-over-year, while the FFO payout ratio improved to 63.1%.

The trust ended the quarter with in-place and committed occupancy of 95.0% and signed more than 2.0 million square feet of leases between April 1st and July 31st at a weighted average rental spread of 15.1%. Dream Industrial completed $81.6 million of wholly-owned acquisitions during the quarter and $136.0 million subsequently, while completing $260.5 million of dispositions. It also agreed to acquire Chancerygate's wholly-owned development assets and co-investment interests for approximately $103.5 million, with another $33.1 million expected to complete the developments. The transaction gives the trust entry into the U.K. multi-let industrial market and is expected to generate an unlevered yield on cost of about 8% upon stabilization. For this year, we expect FFO per unit of $0.80.

The trust also raised its annualized distribution by 2.5% to C$0.7175 per unit, effective with its September 15th payment, marking its first increase since 2013.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO/U	$0.68	$0.73	$0.63	$0.60	$0.56	$0.64	$0.66	$0.74	$0.70	$0.76	***$0.80***	***$0.84***
DPU	$0.52	$0.56	$0.51	$0.54	$0.55	$0.55	$0.52	$0.53	$0.49	$0.51	***$0.52***	***$0.55***
Units[1]	59.6	75.1	92.1	134.8	152.7	233.9	256.6	273.2	277.8	286.8	***280.3***	***300.0***

Even though Dream Industrial has grown its portfolio dramatically (from about 17 million square feet in 2016 to over 73 million last year), its FFO per unit in USD has barely moved over that time. One obvious factor is currency: since the REIT reports in Canadian dollars, a weaker Canadian dollar over time has dragged down the USD equivalent.

But FX aside, there are other important reasons. Much of the portfolio growth has come through issuing new equity and forming joint ventures. This means that while total FFO has grown, it is spread across more units. That has held the per-unit numbers back. On top of that, the REIT has taken a long-term approach of investing in development projects and value-add initiatives that take time to stabilize and don't always boost FFO right away. Add to that a higher interest rate

[1] In millions

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environment in recent years, which has made debt more expensive, and you're left with a situation where even solid operating performance gets offset elsewhere.

Because of this, the distribution has stable at $0.70 in CAD per unit annually since the company began issuing dividends in January of 2013 up until Q2 of 2026, when management modestly boosted the dividend. Dividends are paid monthly. We have incorporated a 1% CAGR in both our FFO/unit and DPU through 2031, assuming that current headwinds (weak FX, interest rates) improve in the coming years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
P/FFO	9.5	9.7	11.1	11.8	12.7	18.8	15.7	13.9	13.8	11.2	***12.4***	***11.0***
Avg. Yld.	8.2%	8.0%	7.4%	5.0%	6.2%	4.6%	5.2%	5.2%	5.1%	6.0%	***5.2%***	***5.9%***

Dream Industrial's ten-year average price-to-funds from operations ratio (P/FFO) is 12.8, but this has expanded notably to 14.7 over the trailing five years. Today, the REIT appears overvalued at 12.4 times our expected FFO per unit for the year. We believe that the stock deserves to trade at a modestly lower multiple due to the lack of noteworthy growth in FFO per unit and DPU over the years. A P/FFO of 11.0 reflects our modest growth estimates. The dividend yield now stands at 5.2%, and we expect it to be the main contributing engine of returns for investors in the coming years.

Safety, Quality, Competitive Advantage, & Recession Resiliency

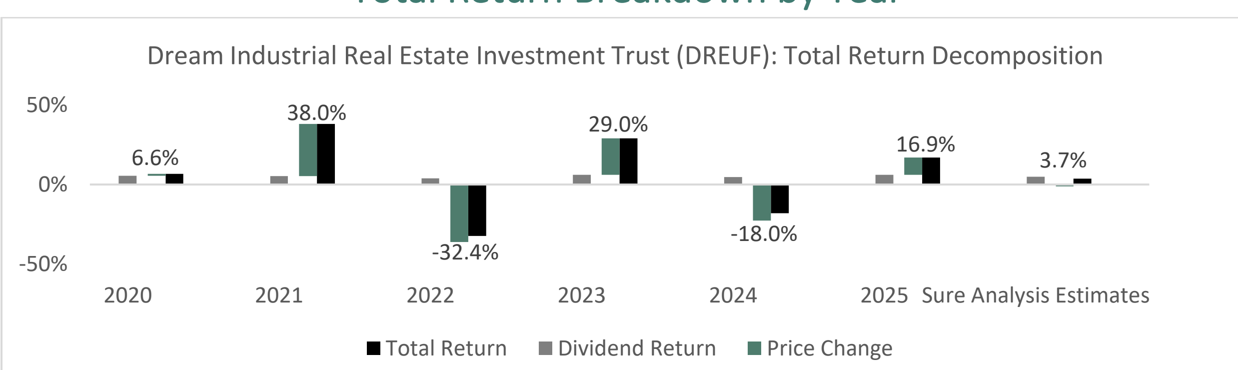
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	76%	77%	81%	90%	98%	86%	79%	72%	70%	67%	***65%***	***65%***

Dream Industrial's portfolio is anchored by high-quality, functional industrial properties located in major urban logistics markets across Canada, Europe, and the U.S. These are core, infill locations that benefit from limited supply, strong tenant demand, and long-term land value. The trust focuses on maintaining modern, versatile space that appeals to a broad range of tenants in critical sectors like warehousing, distribution, and light manufacturing. This focus essentially helps support high occupancy, which stood at 95% at the end of June, and strong leasing momentum. While it wasn't public during the Great Financial Crisis, the REIT maintained stable occupancy and cash flow during the COVID-19 pandemic, underscoring the essential nature of its tenant base and the overall resilience of industrial real estate.

Final Thoughts & Recommendation

Dream Industrial REIT offers stable income from a high-quality industrial portfolio, but per-unit growth has been lacking despite significant expansion, due to dilution from equity issuance, rising interest costs, and the lag between investment and earnings contribution. Its steady payout and defensive asset base continue to appeal in uncertain markets, though. We expect annualized returns 3.7% moving forward, to be driven mainly by the monthly dividend, partially offset by the possibility of a valuation headwind. We rate the stock a hold only due to resuming dividend growth.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	132	133	124	147	176	231	284	324	340	364
Gross Profit	89	90	88	105	126	174	216	247	259	267
Gross Margin	67.2%	67.8%	71.2%	71.2%	71.6%	75.2%	76.2%	76.4%	76.2%	73.4%
SG&A Exp.	11	9	10	11	15	21	26	27	28	---
D&A Exp.	0	0	0	0	0	1	2	2	3	4
Operating Profit	78	81	78	94	111	153	190	220	232	243
Operating Margin	59.2%	60.7%	63.2%	63.8%	63.1%	66.0%	66.9%	68.0%	68.1%	66.8%
Net Profit	(2)	27	122	135	149	485	543	77	189	122
Net Margin	-1.5%	20.1%	98.2%	91.9%	84.8%	209.9%	191.0%	23.8%	55.7%	33.5%
Free Cash Flow	30	40	49	82	95	102	54	224	216	101
Income Tax	(0)	0	1	6	6	24	15	(1)	7	(1.3)

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,230	1,438	1,586	2,215	2,761	4,748	5,364	5,924	5,660	6,169
Cash & Equivalents	5	43	4	338	200	129	62	38	56	30
Accounts Receivable	1	1	1	2	3	1	20	10	7	---
Total Liabilities	791	871	860	1,021	1,268	2,003	2,084	2,475	2,363	2,673
Accounts Payable	1	11	16	20	26	57	65	57	47	---
Long-Term Debt	644	708	688	777	987	1,604	1,778	2,146	2,069	2,278
Shareholder's Equity	438	566	726	1,194	1,494	2,745	3,281	3,449	3,296	3,496
LTD/E Ratio	1.47	1.25	0.95	0.65	0.66	0.58	0.54	0.62	0.63	0.65

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	-0.2%	2.0%	8.0%	7.1%	6.0%	12.9%	10.7%	1.4%	3.3%	2.1%
Return on Equity	-0.5%	5.3%	18.8%	14.1%	11.1%	22.9%	18.0%	2.3%	5.6%	3.6%
ROIC	-0.2%	2.3%	9.0%	8.0%	6.7%	14.2%	11.5%	1.5%	3.5%	2.2%
Shares Out.	59.6	75.1	92.1	134.8	152.7	233.9	256.6	273.2	277.8	293
Revenue/Share	1.50	1.46	1.15	1.10	1.04	1.07	1.11	1.15	1.17	1.24
FCF/Share	0.34	0.44	0.46	0.61	0.56	0.47	0.21	0.80	0.74	0.34

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