First Capital Real Estate Investment Trust (FCXXF)

Updated August 26th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$16.38	**5 Year Annual Expected Total Return:**	2.1%	**Market Cap:**	$3.50 B
Fair Value Price:	$13.30	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date:**	08/31/2026
% Fair Value:	123%	**5 Year Valuation Multiple Estimate:**	-4.1%	**Dividend Payment Date:**	09/15/2026
Dividend Yield:	4.0%	**5 Year Price Target**	$14.68	**Years Of Dividend Growth:**	2
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

First Capital REIT owns and operates 135 urban neighborhood properties totaling about 21.8 million square feet of leasable area in Canada's densest metropolitan markets. More than 90% of rental revenue comes from necessity-based tenants such as grocery stores, pharmacies, banks, medical services, and value retailers, with limited exposure to discretionary retail and enclosed malls. Its portfolio is concentrated in major urban markets, led by the Greater Toronto Area, with additional presence in Montreal, Vancouver, Calgary, Edmonton, and Ottawa. The REIT also has a mixed-use intensification pipeline of roughly 22.9 million square feet within its existing properties. The REIT reports its financials in CAD. All figures in this report have been converted in USD. The REIT generated $520 million in rental revenue last year. The stock trades at a market cap of $3.50 billion. First Capital REIT pays dividends on a monthly basis.

On January 15th, 2026, First Capital REIT raised its dividend by 2.4% to a monthly rate of C$0.076.

On July 27th, 2026, First Capital REIT reported Q2 results for the period ending June 30th, 2026. Revenue rose 2.4% to $137.8 million, while NOI increased 1.9% to $85.3 million, supported by 2.5% same-property NOI growth and lease-renewal spreads of 14.4%. Occupancy remained near record levels at 97.1%, and the average net rental rate reached a record $18.03 per square foot. Operating FFO per unit rose 2.3% year over year to $0.25, while standard FFO fell to $0.20 due largely to $10.7 million of privatization-related legal and advisory fees.

During the quarter, unitholders and the Ontario Superior Court approved First Capital's acquisition by KingSett Capital and Choice Properties REIT. The transaction, valued at C$24.40 per unit ($17.60) when announced, is expected to close in Q4 2026, subject to the remaining approvals. For FY2026, we expect FFO per share of $0.95.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO	$0.83	$0.92	$0.89	$0.95	$0.79	$0.90	$0.89	$0.86	$0.94	$0.95	***$0.95***	***$1.05***
DPS	$0.64	$0.68	$0.63	$0.55	$0.68	$0.34	$0.43	$0.65	$0.60	$0.65	***$0.66***	***$0.73***
Shares[1]	246.4	249.4	254.8	218.0	219.4	219.6	216.2	214.3	214.2	214.7	***220.1***	***230.0***

First Capital REIT has managed to gradually grow its FFO per share over the past decade, despite the constant pressure from the depreciation of CAD against USD over this period. From 2016 to 2017, First Capital's FFO per share rose steadily as improving fundamentals across its urban, grocery-anchored portfolio translated into higher same-property NOI. Per-share growth was also backed by portfolio recycling into higher-quality assets, but the pace of improvement moderated toward 2017 as incremental gains normalized.

In 2018 and 2019, FFO per share showed modest volatility but reached a pre-pandemic high in 2019. The brief softness in 2018 reflected dilution from capital raised, costs associated with corporate restructuring and repositioning, and the near-term drag from development activity, rather than weakening property performance. By 2019, strong leasing, rent growth in dense urban centers, and contributions from completed projects more than offset these factors.

[1] Share count is in millions.

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The decline in 2020 was driven primarily by COVID-related impacts, including elevated bad debt expense, rent deferrals and abatements, and the loss of income from prior dispositions, despite the portfolio's heavy weighting toward essential retail. FFO rebounded in 2021 as collections normalized and credit provisions declined. From 2022 through 2023, higher interest rates and increased financing costs constrained per-share growth even as operating performance was solid. In 2024, stronger underlying retail NOI, embedded rent growth, and prudent capital allocation exceeded rate headwinds, allowing FFO per share to recover. In 2025, FFO benefited from record occupancy and 7.9% same-property NOI growth.

Moving forward, we expect FFO per share growth of 2%, driven by embedded rent growth and lasting leasing strength across the REIT's urban, grocery-anchored portfolio. These could be partially offset by a softer pace of incremental density monetization. We also expect 2% growth in the monthly dividend, which the company resumed growing in 2025.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/FFO	16.9	16.8	18.0	16.6	13.3	15.6	13.9	12.8	11.3	13.4	***17.2***	***14.0***
Avg. Yld.	4.6%	4.4%	3.9%	3.5%	6.5%	2.4%	3.5%	5.9%	5.7%	5.1%	***4.0%***	***5.0%***

First Capital REIT's P/FFO has historically hovered in the mid-teens. Today, the stock trades at 17.2 our expected FFO per share for the year. We believe a multiple in the mid-teens is reasonable given the REIT's track record and defensive nature of its properties. Thus, we have set our fair multiple at a more prudent 14 that better matches our growth outlook. Still, with the REIT likely getting acquired soon, the significance of today's valuation matters much less.

Safety, Quality, Competitive Advantage, & Recession Resiliency

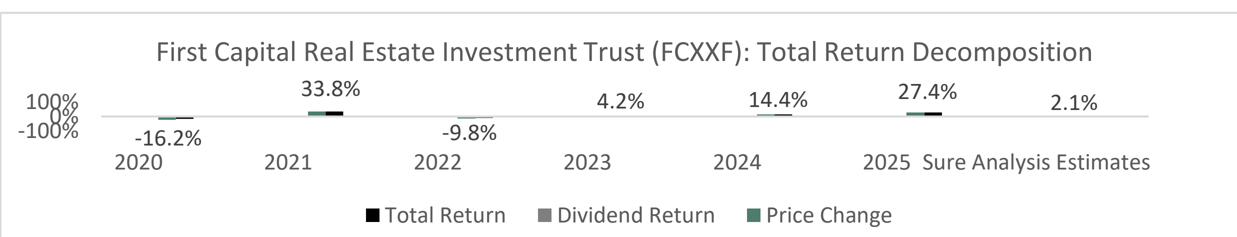
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	77%	74%	71%	58%	86%	38%	48%	76%	64%	68%	***69%***	***69%***

First Capital REIT features a high-quality, necessity-based retail portfolio concentrated in dense urban neighborhoods with strong demographics and high barriers to entry, supporting stable occupancy and rent collections through the cycle. The predominance of grocery, pharmacy, and service-oriented tenants provides inherent recession resilience, as demonstrated by relatively modest cash flow disruption during past downturns compared with discretionary retail peers. Its competitive advantages stem from ownership of irreplaceable sites, local operating scale in major markets, and a sizable, embedded intensification pipeline that allows for organic growth without reliance on external acquisitions. However, the long-dated nature of its mixed-use development pipeline, elevated capital intensity, and sensitivity to interest rates introduce execution and timing risk, which can constrain near-term cash flow growth.

Final Thoughts & Recommendation

First Capital is a high-quality, urban-focused retail REIT with resilient cash flows and a strong long-term growth platform, but near-term returns remain tied to disciplined execution and the interest-rate environment. While the pending acquisition effectively supersedes our standalone forecast, based on the current share price we would estimate total annualized return potential of 2.1% through 2031. This would be driven by the starting yield and our growth forecast, partially offset by a potential P/FFO compression. Shares earn a hold rating only due to the recent 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	510	535	563	563	511	611	552	529	555	545
Gross Profit	318	336	348	344	310	397	342	331	359	349
Gross Margin	62.2%	62.7%	61.9%	61.0%	60.6%	65.0%	62.0%	62.7%	64.7%	64.0%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	1	2	2	3	4	5	4	3	2	2
Operating Profit	171	186	320	314	299	371	300	289	318	302
Operating Margin	33.6%	34.8%	56.8%	55.9%	58.5%	60.7%	54.3%	54.6%	57.3%	55.4%
Net Profit	291	496	271	312	6	378	(123)	(100)	148	759
Net Margin	57.0%	92.8%	48.2%	55.5%	1.1%	61.8%	-22.2%	-18.8%	26.7%	139%
Free Cash Flow	233	213	304	222	166	213	197	172	175	152
Income Tax	68	96	61	(62)	18	21	6	(4)	10	(546)

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	6,789	7,956	7,653	7,836	7,875	8,003	7,072	6,973	6,384	6,734
Cash & Equivalents	22	27	29	23	83	63	29	71	109	45
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Inventories	4	4	7	8	58	124	117	146	158	207
Goodwill & Int. Ass.	-	-	-	-	-	-	-	-	-	-
Total Liabilities	3,633	4,208	3,987	4,385	4,534	4,307	3,872	3,942	3,593	3,164
Accounts Payable	-	-	-	-	-	-	-	-	-	-
Long-Term Debt	2,977	3,420	3,192	3,642	3,757	3,502	3,049	3,096	2,812	2,911
Shareholder's Equity	3,128	3,709	3,645	3,414	3,318	3,658	3,158	2,983	2,744	3,515
LTD/E Ratio	0.96	0.92	0.88	1.07	1.13	0.96	0.97	1.04	1.02	0.83

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.6%	6.7%	3.5%	4.0%	0.1%	4.8%	-1.6%	-1.4%	2.2%	11.6%
Return on Equity	10.0%	14.4%	7.3%	8.8%	0.2%	10.7%	-3.6%	-3.2%	5.1%	23.9%
ROIC	5.0%	7.5%	3.9%	4.5%	0.1%	5.3%	-1.8%	-1.6%	2.5%	12.6%
Shares Out.	246.4	249.4	254.8	218.0	219.4	219.6	216.2	214.3	214.2	214.7
Revenue/Share	2.07	2.15	2.24	2.44	2.32	2.77	2.59	2.49	2.59	2.54
FCF/Share	0.95	0.85	1.21	0.96	0.75	0.96	0.92	0.81	0.82	0.71

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