Killam Apartment REIT (KMMPF)

Updated August 24th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$13.56	**5 Year Annual Expected Total Return:**	3.9%	**Market Cap:**	$1.66 B
Fair Value Price:	$11.70	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	08/31/2026
% Fair Value:	116%	**5 Year Valuation Multiple Estimate:**	-2.9%	**Dividend Payment Date:**	09/15/2026
Dividend Yield:	3.8%	**5 Year Price Target**	$13.56	**Years Of Dividend Growth:**	1
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Killam Apartment REIT is a Canadian residential REIT that owns, operates, and develops a large portfolio of apartment buildings and manufactured home communities (MHCs) across Canada. Killam is headquartered in Halifax, Nova Scotia, and controls about $3.9 billion of real estate, including 18,091 apartment units and 5,805 MHC sites concentrated in Atlantic Canada, Ontario, Alberta, and British Columbia. The REIT pays a monthly dividend. Last year, Killam registered $280 million in revenues. It now trades at a market capitalization of $1.63 billion. The REIT reports its financials in CAD. All Figures in this report have been converted to USD unless otherwise noted.

On August 5th, 2026, Killam Apartment REIT reported its Q2 results for the period ended June 30th, 2026. Total property revenue increased 3.7% year-over-year to about $71.7 million, reflecting 2.6% consolidated same-property revenue growth and continued apartment strength. NOI increased 4.8% to about $48.5 million, while consolidated same-property NOI grew 3.0%. Same-property apartment NOI rose 4.6%, with occupancy improving 20 basis points to 97.6%. Diluted FFO and AFFO per unit were unchanged at about $0.23 and $0.20, respectively.

Management maintained its 2026 targets for same-property apartment revenue and NOI growth of more than 3.5% and consolidated same-property NOI growth above 2.5%. Killam repurchased 1.7 million units during the quarter and subsequently sold nine manufactured-home communities for approximately $36.2 million. Total debt stood at 42.8% of assets at quarter-end, with debt to normalized EBITDA of 9.78 times, while the post-quarter disposition reduced the debt ratio to about 42.2%. For FY2026, we expect FFO per share of $0.90.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO/share	$0.64	$0.72	$0.69	$0.75	$0.79	$0.85	$0.82	$0.87	$0.82	$0.90	***$0.90***	***$1.04***
DPS	$0.45	$0.49	$0.47	$0.51	$0.53	$0.54	$0.52	$0.53	$0.49	$0.53	***$0.52***	***$0.60***
Shares[1]	73.4	78.7	87.2	97.9	103.2	111.6	119.7	121.7	123.1	124.5	***124.8***	***130.0***

Killam Apartment REIT's FFO per share has followed a broadly upward but modest path over the past decade, increasing from about $0.64 in 2016 to a peak of around $0.90 in 2025 in USD terms. Between 2016 and 2017, growth was driven by same-store NOI improvements, aided by higher occupancy, rental rate growth and lower energy costs. The REIT also added incremental FFO via accretive developments and acquisitions, while refinancings at lower interest rates reduced interest expenses.

In the coming years through 2021, the REIT surged in size through geographic expansion, development completions and the addition of manufactured home communities but FFO per share growth moderated as the share/unit count rose and capital was regularly deployed in externally-funded transactions. The 2020–2021 stretch in particular benefited from resilient rental fundamentals despite the pandemic, yet the underlying FFO/unit growth was modest as management prioritized growth in assets and scale. From 2022–2024, same-property rental rate growth supported income, but cap-rate headwinds, higher interest costs, and selective dispositions contributed to the slight dip in FFO/share. In 2025,

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[1] Share count is in millions.

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fundamentals re-accelerated, with 6.1% same-property NOI growth driving a 4% rebound in FFO per unit as occupancy remained near 97% and balance sheet leverage improved.

Moving forward, we expect FFO/share growth of roughly 3%, to be supported by continued same-property rent hikes in tight Atlantic and Ontario rental markets, the steady contribution of recently completed developments, and operating-cost efficiencies from ongoing energy-retrofit and repositioning projects.

Note that Killam has never cut its monthly dividend since its first payout in 2007. The REIT has hiked its monthly payout 8 times since, but raises haven't been consistent. The last hike was in late 2024 and the one before that in mid-2021, hence the dividend growth streak was recently reset. We believe the dividend can also grow, on average by 3%/annum.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	15.6	15.0	17.8	20.0	17.3	19.4	17.1	16.2	16.7	14.3	***15.1***	***13.0***
Avg. Yld.	4.5%	4.5%	3.8%	3.4%	3.9%	3.3%	3.7%	3.8%	3.6%	4.1%	***3.8%***	***4.4%***

Killam Apartments has historically traded at a P/FFO in the mid to high teens, more or less in line with its residential real estate peers. Today, the REIT trades a P/FFO of 15.1. We believe this is a little bit of a rich multiple given our underlying growth expectations. The dividend yield now hovers close to 3.8%, close to its past decade-average of 3.9%. Ideally, we want to the stock to trade at a higher yield given the higher-rates environment even after the recent rate cuts.

Safety, Quality, Competitive Advantage, & Recession Resiliency

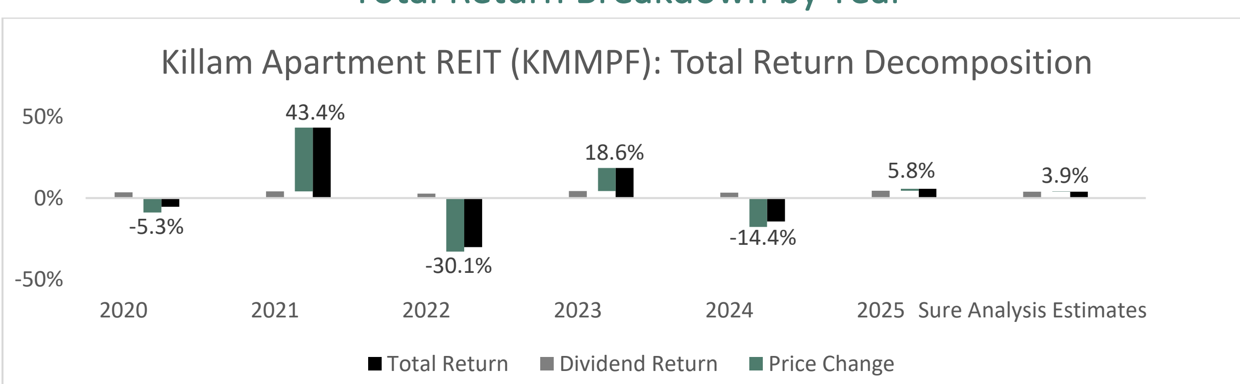
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	70%	68%	68%	68%	67%	64%	63%	61%	60%	59%	***58%***	***58%***

Killam's stability is underpinned by a large, diversified portfolio of necessity-based apartments and MHCs, consistently high occupancy, and a conservative balance sheet with debt representing just 42.8% of total assets as of last quarter. Its competitive edge comes from its scale in Atlantic Canada and its integrated platform for acquisitions, operations, and development. The REIT demonstrated strong recession resilience during the pandemic, maintaining high rent collections and stable cash flow, exhibiting the defensive nature of its mid-market housing portfolio. Yet, a prolonged recession is likely to negatively affect Killam Apartments along with the rest of its residential real estate peers.

Final Thoughts & Recommendation

Killam is a high-quality, resilient residential REIT with stable fundamentals and disciplined financial management, but with only modest FFO/share growth ahead, the story is increasingly one of steady income and gradual value creation rather than outsized upside. We forecast annualized returns of 3.9% through 2031, to be driven mainly by the starting dividend yield and modest growth expectations, partially offset by a soft valuation headwind. We rate the stock a hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	133	145	167	187	196	233	254	256	265	274
Gross Profit	80	89	105	119	123	147	160	164	174	181
Gross Margin	59.9%	61.2%	62.6%	63.5%	62.7%	62.9%	62.9%	63.9%	65.5%	66.1%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	1	1	1	1	1	0	0	0	1	1
Operating Profit	65	72	88	97	117	112	171	144	162	168
Operating Margin	48.6%	50.0%	52.8%	51.8%	59.9%	47.9%	67.4%	56.3%	61.1%	61.3%
Net Profit	54	81	135	214	109	228	94	197	487	21
Net Margin	40.5%	55.7%	80.8%	114.2%	55.7%	97.8%	37.1%	77.0%	183.8%	7.7%
Free Cash Flow	23	40	32	16	40	51	24	31	48	48
Income Tax	(21)	14	24	31	7	34	14	25	(204)	0

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,482	1,845	2,068	2,607	2,964	3,625	3,587	3,856	3,783	4,018
Cash & Equivalents	24	16	8	15	7	6	8	12	10	7.6
Accounts Receivable		-	-	-	-	-	-	-	-	-
Inventories	0	0	0	0	0	0	3	4	0	1
Total Liabilities	923	1,072	1,212	1,371	1,576	1,953	1,909	1,974	1,634	1,783
Accounts Payable	-	-	-	-	-	-	-	-	-	-
Long-Term Debt	779	869	946	1,116	1,288	1,599	1,515	1,658	1,495	1,629
Shareholder's Equity	560	772	856	1,236	1,388	1,671	1,678	1,883	2,148	2,235
LTD/E Ratio	1.42	1.17	1.20	0.92	0.96	1.02	1.00	0.91	0.71	0.76

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.8%	4.9%	6.9%	9.1%	3.9%	6.9%	2.6%	5.3%	12.8%	0.5%
Return on Equity	10.2%	12.1%	16.6%	20.4%	8.3%	14.9%	5.6%	11.1%	24.2%	1.0%
ROIC	4.2%	5.3%	7.6%	10.0%	4.3%	7.5%	2.8%	5.7%	13.4%	0.6%
Shares Out.	73.4	78.7	87.2	97.9	103.2	111.6	119.7	121.7	123.1	124.6
Revenue/Share	1.82	1.84	1.92	1.95	1.87	2.09	2.12	2.11	2.15	2.20
FCF/Share	0.31	0.51	0.37	0.17	0.38	0.46	0.20	0.25	0.39	0.38

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