Lexington Realty Trust (LXP)

Updated August 7th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$61	**5 Year CAGR Estimate:**	3.1%	**Market Cap:**	$3.6 B
Fair Value Price:	$50	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date[1]:**	09/30/2026
% Fair Value:	121%	**5 Year Valuation Multiple Estimate:**	-3.7%	**Dividend Payment Date[1]:**	10/15/2026
Dividend Yield:	0.0%	**5 Year Price Target:**	$70	**Years of Dividend Growth:**	7
Dividend Risk Score:	N/A	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Lexington Realty Trust owns equity and debt investments in single-tenant properties and land across the United States. The trust's portfolio is primarily industrial equity investments. It grows its industrial portfolio by financing, or by acquiring new investments with long-term leases, repositioning the portfolio by recycling capital, and opportunistically taking advantage of capital markets. Additionally, the company supplies investment advisory and asset management services for investors in the single-tenant net-lease asset market. Lexington Realty trades on the NYSE under the ticker symbol LXP and is headquartered in New York. LXP has a market capitalization of $3.6 billion.

Lexington performed a 1-for-5 reverse stock split on November 10, 2025, which reduced its outstanding share count from 295.8 million to 59.2 million. All figures in this report have been updated to account for the reverse share split.

On July 20th, 2026, Brookfield Asset Management and CPP Investments agreed to acquire LXP for approximately $5.2 billion, valuing each share at $61.20. The deal is expected to close in Q4 of this year. LXP has until August 28, 2026, to solicit better offers elsewhere.

On July 29th, 2026, Lexington reported second quarter 2026 results for the period ended June 30, 2026. The trust announced adjusted funds from operations (AFFO) of $0.84 per share for the quarter, up 5% against the prior year quarter. Same-store NOI rose 0.5% compared to second quarter 2025.

For the quarter, the trust completed 2.3M square feet of leases, which increased base and cash base rents by 43.1% and 26.2%, respectively. The trust's stabilized industrial portfolio was 97.4% leased. At quarter end, Lexington had leverage of 5.5X net debt to adjusted EBITDA.
Due to the deal agreements related to the acquisition of LXP by Brookfield and CPP, LXP has suspended its dividend.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AFFO	$5.70	$4.85	$4.80	$4.00	$3.80	$3.90	$3.35	$3.50	$3.20	$3.15	***$3.35***	***$4.70***
DPS	$3.43	$3.50	$3.55	$2.06	$2.11	$2.15	$2.40	$2.50	$2.60	$2.70	***$0.00***	***$0.00***
Shares[2]	47.5	48.3	48.2	47.6	53.6	57.5	56.5	58.2	59.3	59.7	***59.0***	***70.0***

Lexington Realty has a long-term track record of declining adjusted funds from operations in both the historical nine and five year periods. Over the last nine and five years, LXP's adjusted FFO has decreased by -6.4% and -3.7% per year on average. Additionally, the dividend has also shrunk over the long-term, and now it has been completely suspended. Despite this, now that the trust has transformed itself into a full-fledged industrial REIT, we estimate it can grow AFFO per share by 7.0% annually in the intermediate term.

The trust's ballooning share count will continue to expand to fund industrial property acquisitions and bolster the portfolio. Additionally, as development projects come to completion, and new leases are signed, AFFO will grow. For example, in Q2 2025, Lexington leased the 1.1M square foot Greenville/Spartanburg facility at a cash base rent of $5.50

[1] Estimate
[2] In thousands
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per square foot. This increased the REIT's occupancy, and generated approximately $3.7 million of FFO in 2025. Furthermore, in Q1 2026, Lexington extended this lease for four more years (through 2031).

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/AFFO	8.3	10.5	8.8	12.2	13.9	16.4	17.7	14.0	14.5	13.9	***18.1***	***15.0***
Avg. Yld.	7.4%	6.8%	8.4%	6.2%	4.0%	3.4%	3.9%	5.1%	5.6%	6.1%	***0.0%***	***0.0%***

The current P/AFFO of 18.1 based on 2026's estimated AFFO is a premium to its 10-year average of 13.0 and 5-year average of 15.3, although it is elevated mostly as a result of the upcoming acquisition of LXP by Brookfield and CPP Investments. Given the trust's transformation to a complete industrial property REIT, we peg fair value at 15.0 times AFFO, which implies the potential for a valuation headwind.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	60%	72%	74%	52%	56%	55%	72%	71%	81%	86%	***0%***	***0%***

Lexington Realty has maintained a somewhat conservative payout ratio over the last decade; however, it has only been able to do so because it has cut the dividend multiple times as adjusted funds from operations shrunk. This unfortunately adds to the risk of the company and increases the volatility of estimating total returns.

LXP was negatively impacted by the great recession, which saw the trust's dividend fall from a height of $1.83 in 2006 to $0.42 in 2010. During that time, the share count increased massively and still the trust reported losses. Lexington is not recession resistant, though its industrial concentration was a boon during the COVID pandemic.

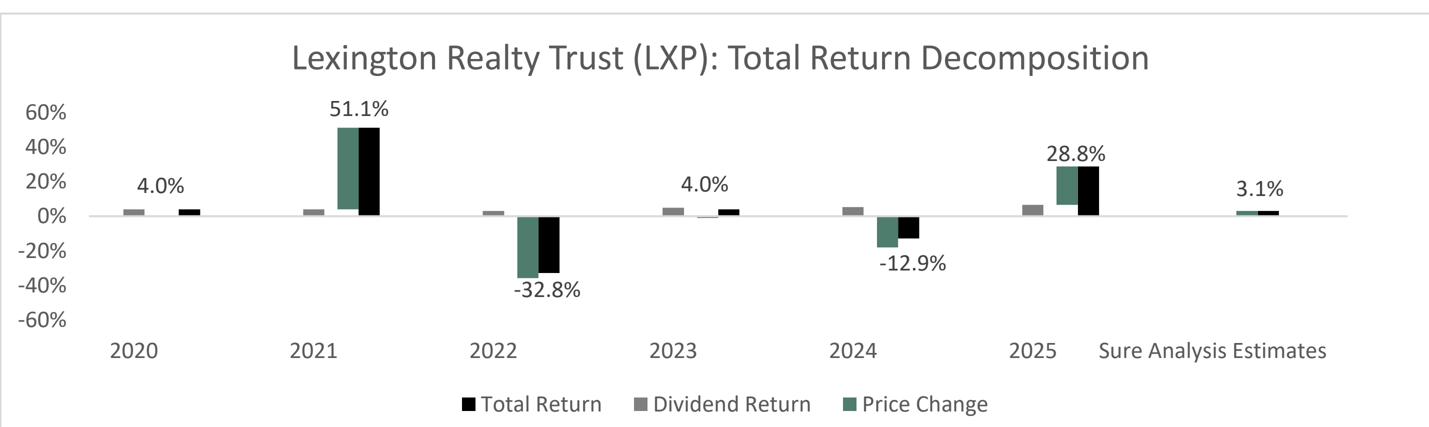
We see only a small competitive advantage in LXP's growth strategy, where they invest only in "shovel-ready" opportunities to avoid risk, and partner with merchant builders, who will typically take on the risk of cost overruns.

Final Thoughts & Recommendation

Lexington Realty Trust has a history of declining adjusted funds from operations over the last decade, and the recent five-year period. However, its transformation into a pure-play industrial REIT led to increased interest in its business and made it an acquisition target. Now, due to the upcoming acquisition of LXP by Brookfield and CPP Investments, the REIT has suspended its dividend payments moving forward.

Today shares trade at a 21% premium to our estimate of fair value, given the upcoming acquisition which values each share of LXP at $61.20, offering only a 1% upside from the current price. Barring the expected acquisition, LXP could deliver 3.1% total annual returns, comprised of 7% FFO growth, partly offset by a 3.7% valuation headwind.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	429	393	397	326	330	344	321	341	358	350
Gross Profit	216	170	186	136	127	120	86	99	105	89
Gross Margin	50.3%	43.2%	46.9%	41.8%	38.4%	34.7%	26.7%	29.0%	29.3%	25.5%
SG&A Exp.	31	34	32	31	30	35	39	36	40	0
D&A Exp.	170	178	172	154	168	183	187	191	201	204
Operating Profit	185	135	154	106	97	84	47	62		49
Op. Margin	43.1%	34.5%	38.9%	32.4%	29.2%	24.4%	14.6%	18.2%	18.2%	14.0%
Net Profit	96	86	227	280	183	383	114	30	45	117
Net Margin	22.3%	21.8%	57.3%	85.9%	55.5%	111.2%	35.4%	8.8%	12.4%	33.5%
Free Cash Flow	235	213	202	174	185	205	162	192	193	164

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	3,441	3,553	2,954	3,180	3,493	4,006	4,054	4,193	3,843	3,537
Cash & Equivalents	87	108	169	123	179	191	54	199	102	171
Acct Receivable	39	58	62	70	70	4	3.03	5.33	2.05	0.00
Goodwill & Intang.	597	599	420	410	409	190	155	123	246	0.00
Total Liabilities	2,029	2,212	1,607	1,456	1,502	1,682	1,663	1,927	1,723	1,489
Accounts Payable	60	39	31	30	55	78	74	58	57	
Long-Term Debt	1,734	1,942	1,365	1,185	1,214	1,369	1,360	1,643	1,442	1,361
Total Equity	1,299	1,230	1,236	1,611	1,877	2,197	2,259	2,138	2,004	2,037
D/E Ratio	1.24	1.47	1.03	0.69	0.62	0.60	0.58	0.74	0.69	0.67

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	2.6%	2.4%	7.0%	9.1%	5.5%	10.2%	2.8%	0.7%	1.1%	3.2%
Return on Equity	7.2%	6.8%	18.4%	19.7%	10.5%	18.8%	5.1%	1.3%	2.0%	5.6%
ROIC	2.9%	2.7%	7.6%	10.0%	6.0%	11.1%	3.1%	0.8%	1.2%	3.3%
Shares Out.	237.7	241.5	240.8	237.9	268.2	287.4	282.5	291.2	291.6	58.6
Revenue/Share	1.81	1.63	1.65	1.37	1.23	1.20	1.14	1.17	1.23	5.98
FCF/Share	0.99	0.88	0.84	0.73	0.69	0.71	0.57	0.66	0.66	2.81

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