Plaza Retail REIT (PAZRF)

Updated August 24th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$3.83	**5 Year Annual Expected Total Return:**	0.9%	**Market Cap:**	$428 M
Fair Value Price:	$3.00	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	08/31/2026
% Fair Value:	128%	**5 Year Valuation Multiple Estimate:**	-4.8%	**Dividend Payment Date:**	09/15/2026
Dividend Yield:	5.2%	**5 Year Price Target**	$3.00	**Years Of Dividend Growth:**	0
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Sell

Overview & Current Events

Plaza Retail REIT is a Canadian open-ended retail real estate investment trust focused on the ownership, development, redevelopment, and management of essential-needs, convenience, and value-oriented retail properties across Canada, with a core concentration in Ontario, Quebec, and Atlantic Canada. As of June 30th, 2026, the Trust had interests in 189 properties totaling about 8.8 million square feet, predominantly open-air centers and stand-alone retail assets leased primarily to national tenants. Committed occupancy was 97.6% and same-asset occupancy was 97.1%, or about 99% excluding enclosed malls, alongside strong exposure to essential-needs, value, and convenience retailers. The REIT reports its financials in Canadian dollars. All figures in this report have been converted to USD unless otherwise noted. Plaza Retail posted $95.3 million in revenues last year. It has a market cap of $428 million and pays dividends on a monthly basis.

On August 5th, 2026, Plaza Retail REIT posted its Q2 results for the period ended June 30th, 2026. Revenue grew 1.2% year-over-year to $23.3 million, while NOI rose 4.3% to $14.4 million, driven by leasing, rent escalations, and improved cost recoveries. Same-asset NOI increased 2.7%, with committed occupancy at 97.6%. FFO per unit rose 5.0% to $0.076, while AFFO per unit increased 16.4% to $0.056. Following an unsolicited C$5.28-per-unit ($3.79) takeover proposal from Axia, Plaza launched a formal strategic review covering a potential sale, merger, other transactions, or remaining independent. For FY2026, we see AFFO per share of $0.30.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AFFO	$0.22	$0.26	$0.21	$0.27	$0.25	$0.28	$0.24	$0.22	$0.20	$0.22	***$0.30***	***$0.30***
DPS	$0.19	$0.21	$0.21	$0.22	$0.22	$0.22	$0.21	$0.21	$0.19	$0.20	***$0.20***	***$0.20***
Shares[1]	104.5	109.2	103.5	103.7	103.0	103.0	103.0	109.5	111.5	111.6	***111.6***	***130.0***

Plaza Retail REIT has posted relatively stable AFFO per share over the past decade. In the mid-2010s, Plaza supported modest AFFO growth through same-asset NOI increases from leasing rent escalations, high occupancy, and contributions from developments and redevelopments transferred to income-producing status. But this was tempered by periodic equity issuances to fund growth, which expanded the unit count and exerted dilution pressure on per-unit metrics.

The pandemic period (2020) saw softness in cash flow related to transitional leasing and market conditions, with operating performance resilient but AFFO per unit still pressured by ongoing expenses and capital requirements. Post-pandemic, Plaza again delivered same-asset NOI growth and stabilized occupancy, supported by rent escalations and developments reaching stabilized NOI, but these gains were frequently offset by higher maintenance and leasing costs, and a weaker CAD against USD.

More recently, through 2022–2025, AFFO per share trends remained subdued as incremental NOI gains from leasing and development absorption were largely offset by higher operating expenses, expanded administrative costs, and interest

[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.

costs, as well as the impact of unit issuances in prior periods. While property performance and occupancy remained strong, the ongoing capital intensity of optimizing retail assets limited growth on a per-unit basis.

Moving forward, we see no growth in AFFO per share because incremental NOI from rent escalations and development completions is likely to be offset by elevated maintenance and leasing capital requirements, high payout levels. We also forecast no growth in the dividend, which the company has maintained at C$0.0233 per month since 2018, when the most recent hike took place. The REIT switched in monthly dividend in 2014. While the dividend hikes haven't occurred every year, the REIT has never cut its dividend since its first payout in 2002.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/AFFO	---	---	---	---	---	7.1	8.6	9.8	11.2	12.6	***12.8***	***10.0***
Avg. Yld.	---	---	---	---	---	11.1%	10.2%	9.8%	8.5%	7.2%	***5.2%***	***6.7%***

Plaza Retail REIT has a somewhat short history trading in its OTC listing. During this period, its P/AFFO has hovered close to 10x, which we have also utilized as our fair multiple for the stock. Today, the multiple stands at a higher level. Thus, we believe Plaza Retail is somewhat overvalued. In the meantime, the stock offers a dividend yield of 5.2%, below the average of its more recent years.

Safety, Quality, Competitive Advantage, & Recession Resiliency

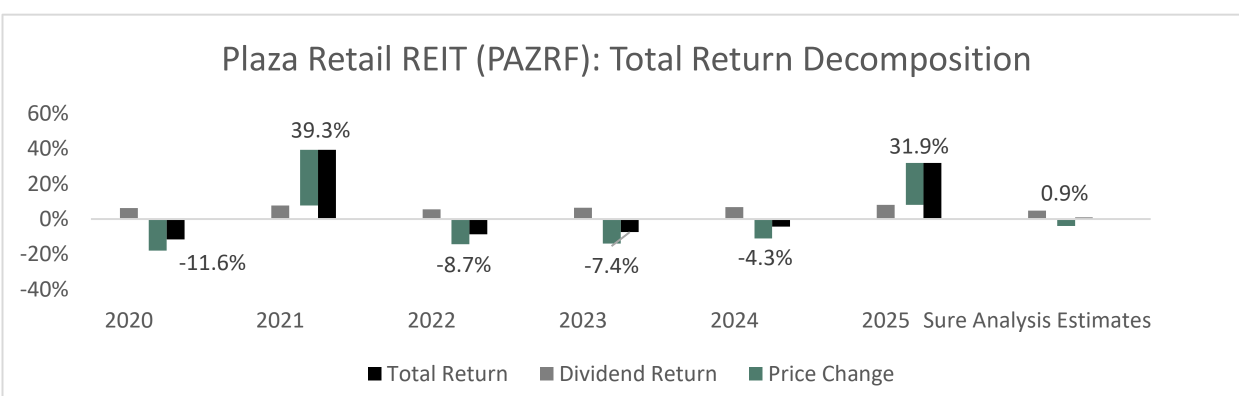
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	86%	81%	100%	81%	88%	79%	88%	95%	95%	91%	***67%***	***67%***

Plaza Retail REIT benefits from a high-quality, necessity-based retail portfolio with very high occupancy and long-standing tenant relationships, supporting stable and predictable cash flow through economic cycles. Importantly, the REIT has never cut its dividend, which proves the resilience of its cash flows and management's conservative approach to capital allocation. Its fully internalized platform and deep operating presence in Atlantic Canada provide a durable competitive advantage as well. However, these strengths are balanced by high AFFO payout levels, ongoing capital intensity, and interest-rate sensitivity, which limit financial flexibility despite strong operating stability.

Final Thoughts & Recommendation

Plaza Retail REIT offers resilient, necessity-based retail assets and a proven record of maintaining its distribution, but high payout ratios and capital intensity should constrain long-term AFFO per unit growth. Moving forward, we forecast annualized returns of just 0.9%, to be powered primarily by the starting dividend yield, offset by a potential valuation headwind. Also, because of the lack of dividend growth, we rate the stock as a sell.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	78	81	82	88	82	91	88	88	92	94
Gross Profit	49	51	55	62	56	64	61	65	62	62
Gross Margin	63.5%	63.4%	66.8%	69.9%	69.0%	70.0%	68.9%	73.4%	67.3%	66.0%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	-	-	-	-	-	-	-	-	-	-
Operating Profit	41	46	47	46	47	54	54	48	47	48
Operating Margin	53.2%	56.1%	57.0%	52.4%	57.7%	58.7%	61.7%	54.3%	50.6%	51.1%
Net Profit	25	18	9	37	(11)	80	42	15	19	40
Net Margin	31.9%	22.3%	11.4%	41.5%	-13.6%	87.8%	47.2%	17.1%	20.2%	42.6%
Free Cash Flow	25	27	26	32	24	38	30	31	29	29
Income Tax	1	0	(0)	0	1	1	0	0	2	1

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	768	823	777	896	894	962	937	958	862	935
Cash & Equivalents	4	5	5	7	6	6	5	8	6	6
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	26
Goodwill & Int. Ass.	-	-	-	-	-	-	-	-	-	-
Total Liabilities	426	449	443	528	556	563	548	539	484	520
Accounts Payable	-	-	-	-	-	-	-	-	-	-
Long-Term Debt	399	406	398	492	507	510	494	472	438	451
Shareholder's Equity	334	366	327	360	332	391	383	414	376	412
LTD/E Ratio	1.22	1.17	1.29	1.40	1.61	1.37	1.36	1.23	1.21	1.15

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.3%	2.3%	1.2%	4.4%	-1.2%	8.6%	4.4%	1.6%	2.0%	4.5%
Return on Equity	7.7%	5.1%	2.7%	10.6%	-3.2%	22.0%	10.7%	3.8%	4.7%	10.1%
ROIC	3.4%	2.3%	1.2%	4.5%	-1.3%	8.9%	4.5%	1.6%	2.1%	4.6%
Shares Out.	104.5	109.2	103.5	103.7	103.0	103.0	103.0	109.5	111.5	114.1
Revenue/Share	0.79	-	-	0.78	0.79	0.80	0.78	0.79	0.81	0.82
FCF/Share	0.25	-	-	0.28	0.23	0.34	0.26	0.28	0.26	0.25

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