Simon Property Group (SPG)

Updated August 20th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$223	**5 Year Annual Expected Total Return:**	3.4%	**Market Cap:**	$85 B
Fair Value Price:	$186	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	09/09/26
% Fair Value:	120%	**5 Year Valuation Multiple Estimate:**	-3.6%	**Dividend Payment Date:**	09/30/26
Dividend Yield:	4.0%	**5 Year Price Target**	$215	**Years of Dividend Growth:**	5
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Simon Property Group is a REIT that was formed in 1993. It focuses on retail properties, mainly in the U.S., with the goal of being the premier destination for high-end retailers and their customers. As of June 30th, 2026, Simon owned or held interests in 254 properties comprising approximately 206 million square feet across North America, Asia, and Europe. The portfolio included 212 income-producing U.S. properties and ownership interests in 42 international properties. Simon also owns 100% of The Taubman Realty Group after acquiring the remaining 12% interest in October 2025. Simon generated $6.36 billion in revenue last year and has a market cap of $85 billion. It also maintains a 20.7% interest in Klépierre, a publicly traded, Paris-based REIT that owns shopping centers in 13 European countries.

On August 10th, 2026, Simon reported its Q2 results for the period ending June 30th, 2026. For the quarter, total revenue was $1.79 billion, 19.5% higher than the comparable period last year. Results were supported by broad-based leasing demand, higher traffic and retailer sales, and contributions from acquisitions completed over the past year. Specifically, portfolio NOI increased by 8.3% compared with the prior-year period, while occupancy stood at 96.0%, unchanged from June 30th, 2025. FFO/share was $3.12, while Real Estate FFO/share increased 7.9% to $3.29. Simon also raised its quarterly dividend by 4.7% to $2.25 per share. For fiscal year 2026, management now expects Real Estate FFO/share of $13.20 to $13.30, up from $13.10 to $13.25. We have utilized the midpoint of this range in our estimates.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO/Shr	$10.49	$11.21	$12.13	$12.37	$9.11	$11.94	$11.95	$12.51	$12.99	$12.34	***$13.25***	***$15.36***
DPS	$6.50	$7.15	$7.90	$8.30	$6.00	$5.85	$6.90	$7.45	$8.10	$8.55	***$9.00***	***$10.43***
Shares[1]	313.0	311.0	309.0	306.0	308.7	328.5	327.8	326.8	326.1	326.4	***324.0***	***330.0***

Simon's FFO history has been quite resilient, seeing only a minor dip in profitability during the Great Recession and the COVID-19 pandemic. Simon's focus on high-end retailing has proven an immense source of strength in recent years, and we see that steady performance continuing. However, given Simon's already dominant position in the retail sector, the seemingly unstoppable rise of e-commerce crimping demand for physical stores, and how mature the current economic cycle is, it looks like Simon and other retail REITs will have a harder time with future FFO growth.

That said, Simon remains the best retail REIT in the market by many metrics. Its occupancy rates remain high, while at the end of Q1-2026 it had a base minimum rent of $61.99 per square foot on average, up 5.2% year over year. Simon has built a niche with high-end retailers over the years such that it has highly desirable spaces and developments and thus sees a virtuous combination of high occupancy and leasing rates. Its recent investment in Taubman seems to be stabilizing as well, with the company likely able to unlock operational efficiencies going forward.

Simon was forced to cut its dividend at the start of 2020 to withstand its weaker performance caused by the pandemic, though management has raised it nine times since then (5 years). We continue to expect FFO/share and DPS growth of 3% going forward, reflecting the REIT's potential for growth in its square feet and lease rates while still remaining prudent against a shaky macro environment filled with uncertainty, especially around interest rates.

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[1] In millions

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/FFO	19.2	15.1	13.9	11.9	8.8	11.6	9.9	8.7	18.9	13.8	***16.8***	***14.0***
Avg. Yld.	3.2%	4.2%	4.7%	5.6%	6.5%	4.3%	5.8%	6.9%	3.3%	5.0%	***4.0%***	***4.9%***

Simon's historical average valuation of 13.2x FFO indicates that the current projected valuation of 16.8 FFO for FY2026 may overvalue the stock. Given today's still-high interest rates, investors ought to demand a heftier equity risk premium, despite Simon's admittedly strong results. Simon's current yield of 4.0% is below its past-decade average. At a period of above-average rates, we believe the yield ought to be higher today.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	62%	64%	65%	67%	66%	49%	58%	60%	62%	69%	***68%***	***68%***

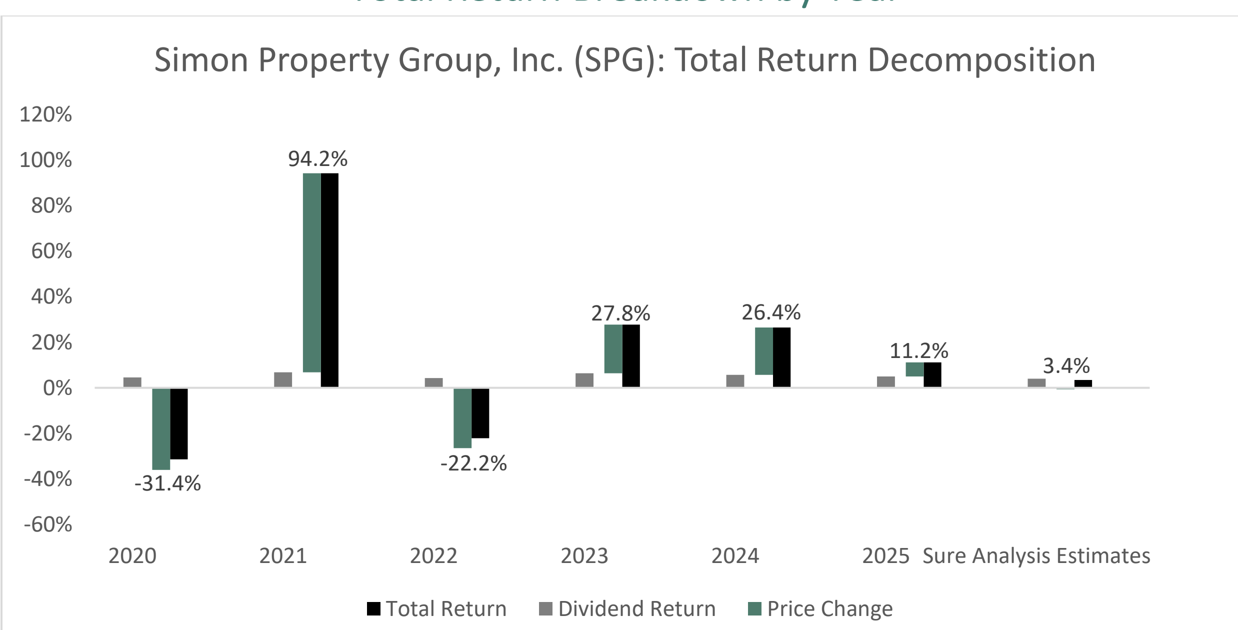
Simon's quality metrics have been very stable in the past decade as the company has kept operating metrics such as balance sheet leverage and unsecured interest coverage (4.5X) in a fairly narrow range. Profitability should improve further over time, with Simon's capacity to raise rent remaining robust. The payout ratio remains at a very safe range.

Simon's competitive advantage is in its world-class portfolio of properties that allow it to charge industry-best leasing rates. Another advantage is its low cost of capital that comes from its A-rated balance sheet, enabling it to invest in ways that competitors cannot afford to. That being said, it is not immune to recessions, as proven by its dividend cut during 2020 amid, admittedly, a black swan event for the industry. However, despite the cut, Simon's operations have held up fairly well, and have almost fully recovered already.

Final Thoughts & Recommendation

Overall, we forecast Simon to produce 3.4% total annualized returns in the coming years, to be mainly powered by the starting yield of 4.0% and modest growth, offset by the possibility of a valuation headwind. Simon's industry-leading metrics, world-class management, high-quality real estate portfolio, and successful acquisition of Taubman should translate to solid financials, despite what we view a lofty valuation. Today, we rate the stock as a hold.

Total Return Breakdown by Year



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.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	5435	5539	5658	5,755	4,608	5,117	5,291	5,659	5,964	6,365
Gross Profit	4464	4559	4650	4,734	3,720	4,146	4,290	4,630	4,920	3,786
Gross Margin	82.1%	82.3%	82.2%	82.2%	80.7%	81.0%	81.1%	81.8%	82.5%	59.5%
SG&A Exp.	366	338	334	185	121	145	143	166	189	---
D&A Exp.	1328	1357	1350	1,394	---	1,326	1,292	1,334	1,360	1,554
Operating Profit	2721	2802	2911	2,908	1,972	2,431	2,584	2,807	3,093	3,176
Operating Margin	50.1%	50.6%	51.5%	50.5%	42.8%	47.5%	48.8%	49.6%	51.9%	49.9%
Net Profit	1839	1948	2440	2,102	1,113	2,250	2,140	2,283	2,371	5,364
Net Margin	33.8%	35.2%	43.1%	36.5%	24.2%	44.0%	40.4%	40.3%	39.8%	84.3%
Free Cash Flow	2574	2862	2969	2,932	---	3,109	3,117	3,138	3,059	2,451
Income Tax	30	23	37	30	-4.6	157	84	82	23	36

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	31104	32258	30686	31232	34790	33780	33,010	34280	32,410	40,610
Cash & Equivalents	560	1482	514	669	1012	534	622	1,169	1,400	823
Acc. Receivable	665	743	764	832	1237	920	824	826	797	---
Goodwill & Int.	285	209	151	96	---	53	38	29	23	20
Total Liabilities	26144	28019	26889	28320	31310	29920	29190	30600	28,810	33,900
Accounts Payable	1214	1269	1317	1391	1312	1433	1,492	1693	1,712	---
Long-Term Debt	22977	24564	23238	24096	26720	25260	24,900	25,970	24,210	28,840
Total Equity	4267	3643	3254	2484	2997	3320	3,097	2,982	2,901	5,168
LTD/E Ratio	5.33	6.66	7.05	9.54	8.79	7.51	7.93	8.59	8.23	5.61

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	6.0%	6.1%	7.8%	6.8%	3.4%	6.6%	6.4%	6.8%	7.1%	14.7%
Return on Equity	42.3%	49.3%	70.8%	73.3%	40.6%	71.2%	66.7%	60.8%	65.1%	104.1%
ROIC	6.6%	6.9%	8.7%	7.8%	3.9%	7.6%	7.3%	7.8%	8.3%	16.7%
Shares Out.	313	311	309	306	309	329	327.82	326.8	326.1	326.4
Revenue/Share	17.38	17.78	18.27	18.69	149.2	15.57	16.14	17.32	18.29	19.50
FCF/Share	8.23	9.19	9.59	9.52	---	9.46	9.51	9.60	9.38	7.51

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