Canadian Apartment Properties REIT (CDPYF)

Updated August 28th, 2026, by Kody Kester

Key Metrics

Current Price:	$24	**5 Year Annual Expected Total Return:**	13.7%	**Market Cap:**	$3.7B
Fair Value Price:	$33	**5 Year Growth Estimate:**	3.5%	**Ex-Dividend Date:**	08/31/26
% Fair Value:	72%	**5 Year Valuation Multiple Estimate:**	6.7%	**Dividend Payment Date:**	09/15/26
Dividend Yield:	4.7%	**5 Year Price Target**	$40	**Years Of Dividend Growth:**	2[1]
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Since its founding in 1996, Canadian Apartment Properties Real Estate Investment Trust has transformed into Canada's largest publicly traded residential REIT. The company completed its initial public offering in 1997.

As of Jun. 30, 2026, CDPYF owned approximately 45,460 residential apartment suites and townhomes. Most of these apartment suites are in Canada, with the portfolio heavily concentrated in Ontario, British Columbia, and Quebec. The company's Canadian portfolio enjoys exceptionally high occupancy, ending Q2 2026 with a 97.5% occupancy rate. CDPYF's remaining suites are in the Netherlands. Through the first four months of 2026, the REIT has completed 29 million CAD of dispositions in Canada, as well as the sale of 144.9 million CAD of properties in the Netherlands. These deals were completed at prices at or above previously reported IFRS fair values at the time of negotiation. The proceeds from these dispositions are being used to acquire recently constructed mid-market rental properties at prices that are meaningfully below replacement cost, as well as unit repurchases.

On Aug. 6, CDPYF shared its financial results for the second quarter ended Jun. 30, 2026. The company's operating revenue fell by 3.2% year-over-year to 246.4 million CAD during the quarter. That was caused by dispositions in recent quarters. Factoring in foreign currency translation headwinds, CDYPF's operating revenue decreased by 3.8% over the year-ago period to $179.4 million in the quarter. The REIT's diluted FFO per unit declined by 1.1% year-over-year to 0.654 CAD for the quarter. Adjusting for foreign currency translation, diluted FFO per unit fell by 1.9% over the year-ago period to $0.476 during the quarter.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFOPS	$1.30	$1.45	$1.47	$1.64	$1.78	$1.82	$1.72	$1.81	$1.76	$1.82	***$1.85***	***$2.20***
DPS	$0.93	$0.98	$1.01	$1.03	$1.03	$1.12	$1.12	$1.07	$1.07	$1.11	***$1.13***	***$1.31***
Units[2]	134.4	136.9	145.7	169.9	171.8	173.4	169.4	167.6	160.6	156.2	***154.8***	***143.0***

Since 2016, CDPYF has logged approximately 4% annual FFO per unit growth. In the years ahead, we think similar FFO per unit growth (3.5%) will occur through 2031, on an expected 2026 base of $1.85. This is because the company has nearly quadrupled the footprint of recently constructed rental properties in its portfolio over the last five years (5% versus 19%). The company expects to continue buying recently constructed rental buildings with strong pricing per square foot at valuations significantly below replacement cost. The growth realized from a combination of recently constructed rental acquisitions and higher rental rates should more than offset our expectations of modest weakening in the CAD over this period.

[1] In its original Canadian Dollar declaration.

[2] Unit 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.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/FFO	17.9	20.4	22.1	24.9	22.1	26.1	18.4	20.4	16.8	14.6	***13.0***	***18.0***
Avg. Yld.	4.0%	3.3%	3.1%	2.5%	2.6%	2.4%	3.5%	2.9%	3.6%	4.1%	***4.7%***	***3.3%***

Since 2016, units of CDPYF have seen a P/FFO ratio as low as the low teens and as high as the mid-20s. Over that time, the average P/FFO ratio was 20.4. Adjusting for the fact that we believe 10-year U.S. Treasury yields will stay higher than their 10-year average, we believe fair value is one standard deviation lower, or roughly 18.0. From the current multiple of 13.0, shares are meaningfully undervalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	72%	68%	69%	63%	58%	62%	65%	59%	61%	60%	***61%***	***60%***

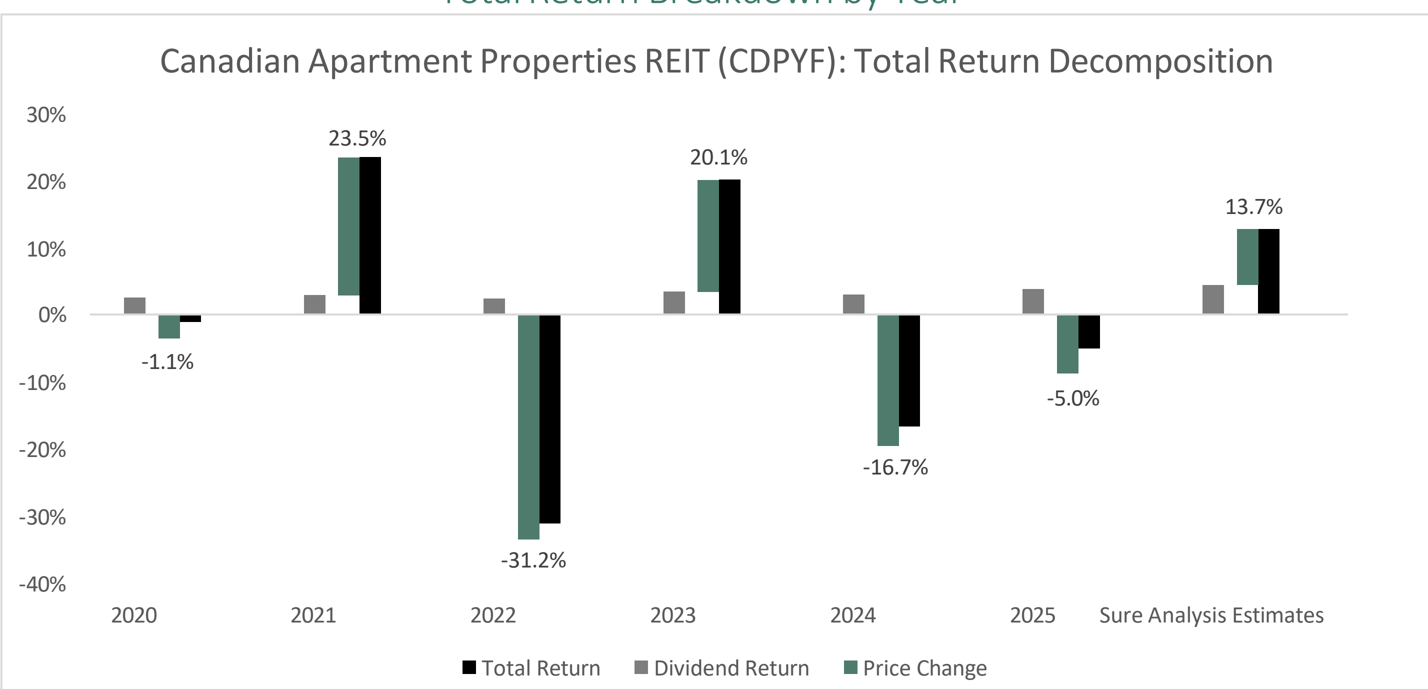
CDPYF's status as the largest residential REIT in Canada mainly comes with size and scale advantages. This allows the company to capitalize on more favorable property management rates and financing costs, which result in lower per-unit operating costs compared to smaller competitors.

Financially, CDPYF is quite healthy. The company's total debt to gross book value ratio as of Jun. 30, 2026, was 41.2%. In more than a quarter century of paying dividends, CDPYF has never cut its distribution. Excluding a frozen dividend in 2022, the company has upped its distribution each year since 2012. Looking ahead, CDPYF should have the flexibility to keep growing the distribution. That's because the payout ratio is expected to be in the low-60% range in 2026.

Final Thoughts & Recommendation

CDPYF's 4.7% yield, 3.5% annual FFO per unit growth prospects, and 6.7% annual valuation multiple expansion potential could generate 13.7% annual total returns over the medium term. Because we believe there are safer options with comparable total return potential, we're reiterating our Hold rating, however.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	454	488	547	594	665	752	775	789	812	718
Gross Profit	238	250	293	338	396	427	449	461	484	428
Gross Margin	52.4%	51.2%	53.6%	56.9%	59.6%	56.7%	57.9%	58.4%	59.6%	59.6%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	3	3	4	5	6	7	6	5	5	5
Operating Profit	149	249	296	305	371	442	530	431	475	407
Operating Margin	32.8%	51.1%	54.0%	51.3%	55.8%	58.7%	68.3%	54.6%	58.5%	56.7%
Net Profit	332	645	939	901	690	1,111	10	(305)	214	141
Net Margin	73.0%	132.2%	171.7%	151.5%	103.8%	147.7%	1.4%	-38.6%	26.3%	19.6%
Free Cash Flow	194	197	250	263	270	341	347	327	331	288
Income Tax	-	6	15	17	21	65	(8)	(57)	29	13

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	5,886	7,332	7,938	10,749	12,166	14,023	13,094	12,869	10,830	11,039
Cash & Equivalents	5	25	25	375	103	67	45	35	110	38
Accounts Receivable										
Inventories	-	-	-	-	-	6	12	5	-	-
Goodwill & Int.	-	-	-	12	13	12	-	-	-	-
Total Liabilities	2,784	3,403	3,313	3,986	4,629	5,507	5,532	5,691	4,553	4,648
Accounts Payable										
Long-Term Debt	2,624	3,215	3,145	3,772	4,362	5,114	5,177	5,389	4,197	4,374
Shareholder's Equity	3,101	3,929	4,625	6,481	7,279	8,233	7,383	7,037	6,277	6,392
LTD/E Ratio	0.85	0.82	0.68	0.58	0.60	0.62	0.70	0.77	0.67	0.69

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	6.0%	9.8%	12.3%	9.6%	6.0%	8.5%	0.1%	-2.3%	1.8%	1.3%
Return on Equity	11.6%	18.3%	22.0%	15.8%	9.7%	13.8%	0.1%	-4.1%	3.2%	2.2%
ROIC	6.2%	10.0%	12.6%	9.8%	6.2%	8.7%	0.1%	-2.4%	1.9%	1.3%
Shares Out.	134.4	136.9	145.7	169.9	171.8	173.4	169.4	167.6	160.6	156.2
Revenue/Share	3.37	3.54	3.79	3.74	3.87	4.32	4.44	4.65	4.82	4.51
FCF/Share	1.44	1.43	1.74	1.65	1.57	1.96	1.99	1.93	1.96	1.81

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