Rexford Industrial Realty (REXR)

Updated October 23rd, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$36	**5 Year CAGR Estimate:**	16.7%	**Market Cap:**	$8.5 B
Fair Value Price:	$48	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date[1]:**	12/30/2026
% Fair Value:	74%	**5 Year Valuation Multiple Estimate:**	6.1%	**Dividend Payment Date:**	1/12/2027
Dividend Yield:	4.8%	**5 Year Price Target**	$68	**Years Of Dividend Growth:**	12
Dividend Risk Score:	D	**Sector:** REITs		**Rating:**	Hold

Overview & Current Events

Rexford Industrial Realty (REXR) is a real estate investment trust (REIT) that operates and redevelops industrial properties throughout infill Southern California. The REIT was founded in 2001, became public in 2014 and currently has 409 properties with a total rentable area of 50 million square feet. It has a market capitalization of $8.5 billion.

Rexford Industrial enjoys strong business tailwinds thanks to its exclusive focus on infill Southern California, which is the fourth largest industrial market in the world and the largest industrial market in the U.S. This region has a GDP of $1.8 trillion, the 11th largest in the world, and is characterized by an extremely low vacancy rate of less than 3.0%, markedly high demand and low supply of new properties. As a result, it offers strong pricing power to the REIT.

In late October, Rexford Industrial reported (10/22/26) results for the third quarter of 2026. Same-property net operating income dipped -2.6% over last year's quarter. Core funds from operations (FFO) dipped -4% but core FFO per share remained flat at $0.60 thanks to share repurchases, in line with the analysts' consensus. The REIT has not missed the analysts' FFO estimates for 31 consecutive quarters.

In contrast to most REITs, which are suffering from high interest expense amid high interest rates, Rexford Industrial has low interest expense thanks to its rock-solid balance sheet. It has raised its dividend by 1% this year and slightly raised its guidance for FFO per share in 2026, from $2.38-$2.43 to $2.41-$2.44. Accordingly, we have raised our forecast for annual FFO per share from $2.41 to $2.42.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO	$0.88	$0.96	$1.12	$1.23	$1.32	$1.64	$1.96	$2.19	$2.34	$2.40	***$2.42***	***$3.39***
DPS	$0.54	$0.58	$0.64	$0.74	$0.86	$0.96	$1.26	$1.52	$1.67	$1.72	***$1.74***	***$2.22***
Shares[2]	63.0	71.6	87.3	106.8	121.2	140.1	171.0	203.1	222.9	232.0	***220.0***	***400.0***

Rexford Industrial greatly benefits from operating in infill Southern California, the largest industrial market in the U.S, which is characterized by strong demand and low supply of new properties and has one of the lowest vacancy rates in the country (4.3% vs. an average of 5.5%). The REIT has grown its FFO per share by 11.8% per year on average over the last decade and hence it is one of the highest-growth REITs. It has grown its FFO at a fast pace by acquiring new properties and redeveloping them to enhance their value. Rexford Industrial has grown with impressive consistency, even during the pandemic, thus confirming the strength of its business model. As the REIT has somewhat decelerated lately, we expect it to grow its FFO per share at a 7.0% average annual rate over the next five years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg P/FFO	23.0	28.0	27.2	32.8	34.1	35.9	32.7	24.7	20.1	16.2	***14.9***	***20.0***
Avg. Yld.	2.7%	2.2%	2.1%	1.8%	1.9%	1.6%	2.0%	2.8%	3.6%	4.4%	***4.8%***	***3.3%***

[1] Estimated date.

[2] In millions.

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Rexford Industrial has traded at an average P/FFO ratio of 27.5 over the last decade, one of the richest valuation levels in the REIT sector, thanks to its impressive growth record and prospects. However, high interest rates result in high interest expense and also reduce the present value of future FFO, thus compressing the valuation levels of REITs. Given depressed interest rates until 2021 and our preference to have a margin of safety, we assume a fair P/FFO ratio of 20.0 for the REIT. The stock is currently trading at a nearly 10-year low P/FFO ratio of 14.9, which is lower than our assumed fair valuation level. If the stock trades at its fair valuation level in five years, it will enjoy a 6.1% annualized gain in its returns.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	61%	60%	57%	60%	65%	59%	64%	69%	71%	72%	***72%***	***65%***

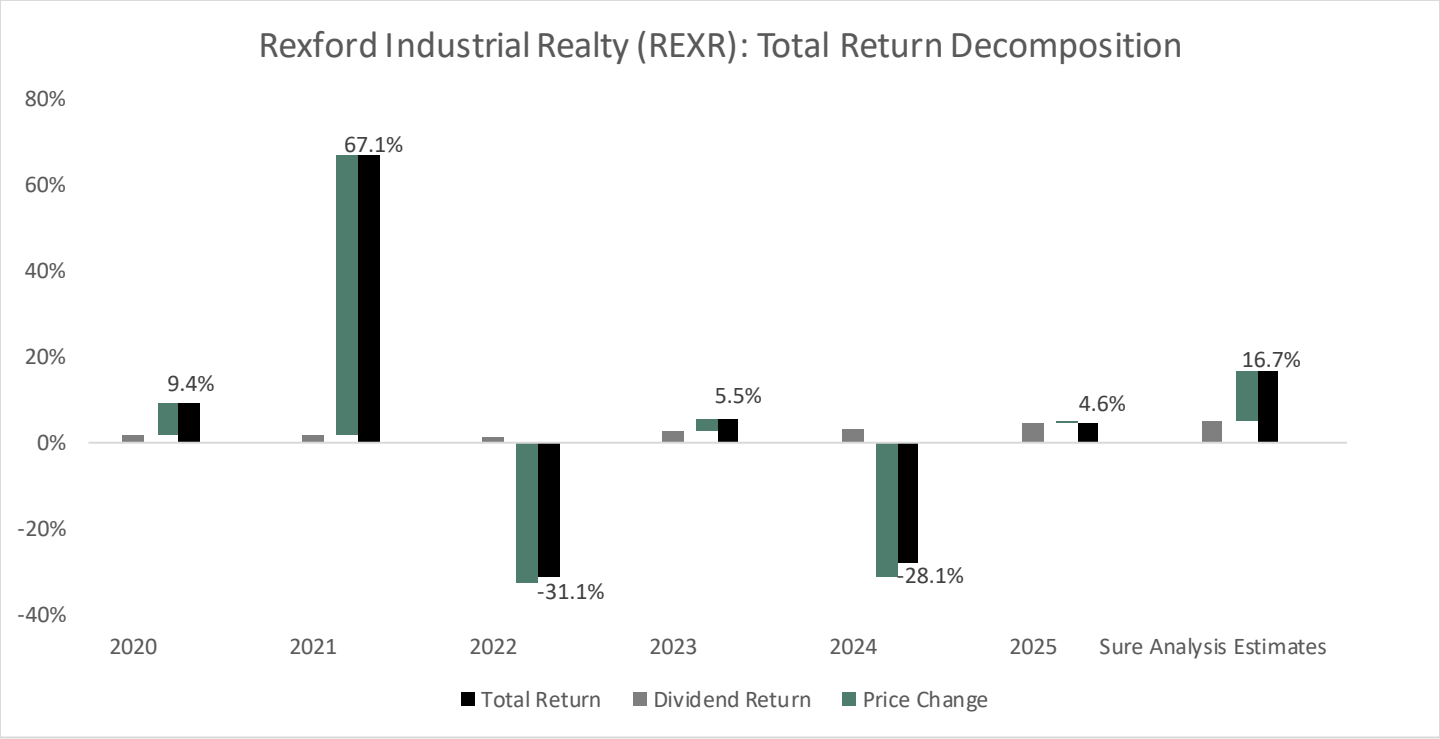
Rexford Industrial is offering a 4.8% dividend yield, which is slightly lower than the 5.0% median dividend yield of the REIT sector. However, the REIT has grown its dividend by 12% per year on average over the last decade. It also has one of the strongest balance sheets in the REIT sector, with an interest coverage ratio of 3.7 and net debt of $3.5 billion, which is only 41% of the market capitalization. Thanks to its pristine balance sheet and its reliable growth trajectory, Rexford Industrial is likely to keep raising its dividend meaningfully for many more years. Therefore, the REIT is suitable not only for growth-oriented investors, but also for income-oriented investors.

It is also worth noting that Rexford Industrial proved resilient to the recession caused by the pandemic in 2020, as it kept growing its FFO per share and its dividend during that crisis.

Final Thoughts & Recommendation

Rexford Industrial has exhibited business deceleration in recent quarters but we view the stock as attractive from a long-term perspective. The stock could offer a 16.7% average annual return over the next five years thanks to 7.0% annual growth of FFO per share, its 4.8% dividend and a 6.1% potential valuation tailwind. The stock receives a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	126	161	212	267	330	452	631	798	936	998
Gross Profit	93	119	161	204	250	345	481	613	726	454
Gross Margin	73.4%	73.9%	75.7%	76.3%	75.9%	76.2%	76.2%	76.9%	77.5%	45.5%
SG&A Exp.	17	22	25	30	37	49	64	75	82	---
D&A Exp.	51	63	74	91	105	136	166	215	248	315
Operating Profit	24	33	56	75	98	144	220	294	369	381
Op. Margin	18.8%	20.3%	26.2%	28.0%	29.8%	31.9%	34.8%	36.8%	39.4%	38.1%
Net Profit	25	41	46	62	76	128	168	238	274	217
Net Margin	19.9%	25.2%	21.7%	23.2%	23.1%	28.4%	26.5%	29.8%	29.2%	21.8%
Free Cash Flow	25	34	45	92	104	129	193	161	105	209

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,515	2,111	2,788	3,639	4,951	6,781	9,259	10,930	12,648	12,613
Cash & Equivalents	16	7	181	79	176	44	37	33	56	166
Acct Recv.	15	19	27	36	51	73	103	141	177	---
Goodwill	42	54	61	78	97	137	175	159	207	---
Total Liabilities	553	746	879	1,016	1,421	1,713	2,336	2,786	3,922	146
Long-Term Debt	500	669	757	858	1,216	1,400	1,936	2,226	3,346	3,375
Shareholder's Equity	853	1,180	1,717	2,314	3,003	4,629	6,401	7,611	8,168	8,305
LTD/E Ratio	0.53	0.50	0.40	0.34	0.37	0.29	0.30	0.29	0.40	0.40

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.9%	2.2%	1.9%	1.9%	1.8%	2.2%	2.1%	2.4%	2.3%	1.7%
Return on Equity	3.0%	3.5%	2.8%	2.7%	2.5%	3.0%	2.8%	3.2%	3.2%	2.5%
ROIC	2.0%	2.3%	2.0%	2.0%	1.9%	2.3%	2.2%	2.5%	2.4%	1.8%
Shares Out.	63.0	71.6	87.3	106.8	121.2	140.1	171.0	203.1	218.5	232.6
Revenue/Share	2.00	2.25	2.43	2.50	2.72	3.23	3.69	3.93	4.29	4.29
FCF/Share	0.39	0.48	0.51	0.86	0.86	0.92	1.13	0.79	0.48	0.90

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

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