
DATA DISPATCH

Same-store NOI improved across all US REITs in Q3'21

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Market Intelligence

Editor's note: In the below analysis, S&P Global Market Intelligence prefers to take cash-based same-store net operating income, if available. However, a noncash-based net operating income will be used if not.

For the second consecutive quarter, U.S. equity REITs reported another median gain in same-store net operating income during the third quarter of 2021.

Same-store NOI across publicly traded U.S. equity REITs improved year over year at a median of 7.1% as of September-end, following a 5.7% median growth in the second quarter and a 2.1% decline in the first quarter.

The retail sector still saw the most gains out of the major property types during the third quarter, with its same store NOI up year over year at a median of 11.5%. While this recent gain was a bit below the sector's median increase of 14.4% in the second quarter, it was still a huge improvement from the median declines of 5.4% in the first quarter and 7.8% for the whole year of 2020. Likewise, same-store NOI medians of other major property types, namely, the industrial, residential and office sectors, also saw year-over-year increases during the third quarter.

Following the momentum it had during the previous quarter, the regional mall sector continue to have the largest annual increase in same-store NOI during the third quarter, reporting a median gain of 26.5% year over year. The self-storage segment came in second with a 23.0% median hike, followed by the "other retail" sector, which includes outlet center and single tenant REITs, at 11.5%.

Within the regional mall space, Pennsylvania REIT saw the biggest gain in same-store NOI at 30.4% year over year, also the highest increase across all U.S. REITs in the third quarter. Mall owners CBL & Associates Properties Inc. and Macerich Co. join Pennsylvania REIT in the top 10 U.S. REITs with highest same-store NOI gains, posting year-over-year growth of 26.5% and 21.4%, respectively.

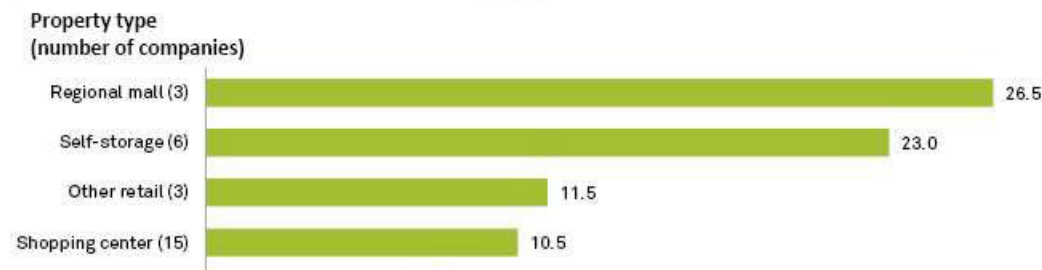
Meanwhile, healthcare REITs had the weakest gains in same-store NOI among all property types during the third quarter, reporting a median increase of 1.8% year over year.

All three REITs under the healthcare segment that reported year-over-year same store NOI declines during the third quarter — Diversified Healthcare Trust, Welltower Inc., and Ventas Inc. — were also included in the list of REITs that recorded the largest same-store NOI losses across all sectors as well.

Leading the list of REITs with the biggest year-over-year drop in same-store NOI across the country is office-focused Equity Commonwealth, which finished the third quarter with a \$7.4 million same-store NOI, a 9.6% decline from the same quarter last year.

Chart Watch

Q3'21 median same-store NOI change (%)





10 US REITs with highest same-store NOI increase in Q3'21

Company (ticker)	Property type	Market capitalization (\$M)	Same-store NOI	
			Q3'21 (\$M)	YOY change (%)
Pennsylvania Real Estate Investment Trust (PEI)	Regional mall	99.4	46.2	30.4
Alexander & Baldwin Inc. (ALEX)	Diversified	1,647.2	27.4	29.7
Extra Space Storage Inc. (EXR)	Self-storage	26,616.4	242.5	27.8
Urban Edge Properties (UE)	Shopping center	2,055.8	55.7	26.7
CBL & Associates Properties Inc. (CBL)	Regional mall	609.1	112.3	26.5
Regency Centers Corp. (REG)	Shopping center	12,166.6	217.5	24.6
Life Storage Inc. (LSI)	Self-storage	10,798.2	108.4	24.3
National Storage Affiliates Trust (NSA)	Self-storage	5,443.4	83.8	24.3
Public Storage (PSA)	Self-storage	57,344.4	540.4	21.7
Macerich Co. (MAC)	Regional mall	4,192.6	193.1	21.4

10 US REITs with largest same-store NOI drop in Q3'21

Company (ticker)	Property type	Market capitalization (\$M)	Same-store NOI	
			Q3'21 (\$M)	YOY change (%)
Equity Commonwealth (EQC)	Office	3,146.0	7.4	-9.6
Columbia Property Trust Inc. (CXP)	Office	2,196.9	29.6	-9.2
Franklin Street Properties Corp. (FSP)	Office	643.3	22.7	-8.9
CIM Commercial Trust Corp. (CMCT)	Office	165.5	7.2	-8.8
Diversified Healthcare Trust (DHC)	Healthcare	681.1	71.4	-8.5
Empire State Realty Trust Inc. (ESRT)	Office	1,668.8	70.0	-5.7
Digital Realty Trust Inc. (DLR)	Data center	46,756.8	354.2	-5.5
Welltower Inc. (WELL)	Healthcare	35,657.7	383.0	-5.3
Americold Realty Trust (COLD)	Industrial	8,429.9	117.2	-5.1
Ventas Inc. (VTR)	Healthcare	19,759.2	359.9	-3.0

Data compiled Nov. 29, 2021.

NOI = net operating income

Includes publicly traded U.S. equity REITs that trade on the Nasdaq, NYSE or NYSE American. Excludes hotel REITs.

Other retail includes outlet centers, single tenant and other retail; residential includes multifamily, single family, student housing and manufactured homes.

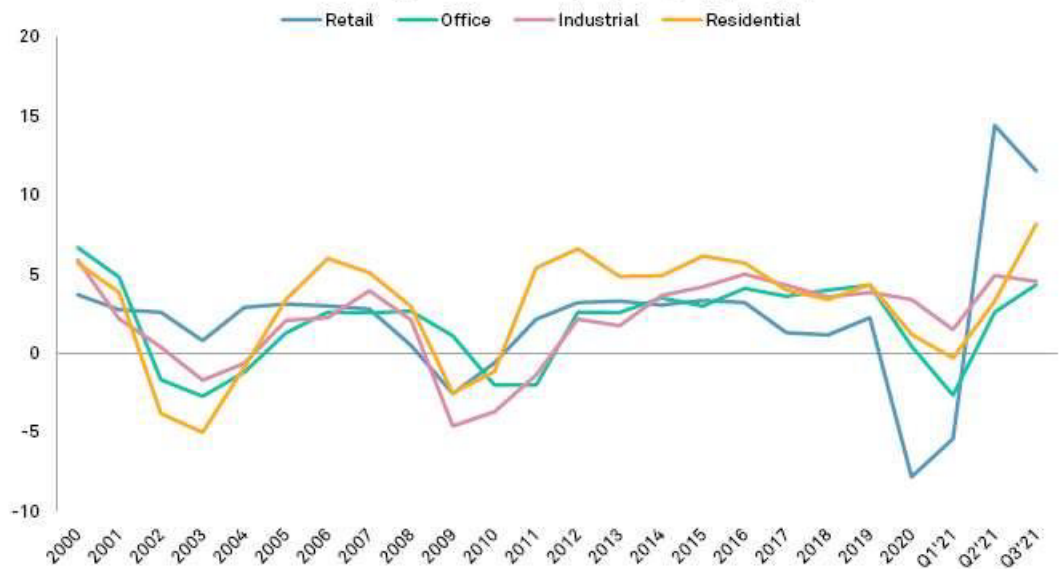
* Includes three additional specialty REITs that are not reflected in a property type category.

Source: S&P Global Market Intelligence

Same-store NOI change and occupancy (%)



Median same-store NOI change for select property types (%)



Data compiled Nov. 29, 2021.
 NOI = net operating income
 Analysis includes current and historical publicly traded U.S. equity REITs. Excludes hotel REITs.
 Source: S&P Global Market Intelligence

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