

DATA DISPATCH

US REIT same-store NOI dipped again in Q1'21

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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 NOI will be used if not.

For the first quarter of the year, the same-store net operating income median across publicly traded U.S. equity REITs dropped again by 2.4% year over year, coming from a 1.9% median decline in the fourth quarter and a 1.7% year on year decline for the full year 2020.

Out of the major property types, the retail sector continued to operate with huge losses, recording a decline in median same-store NOI by 5.2% year over year during the first quarter. This recent drop, however, is milder compared to the median losses of 10.5% in the previous quarter, and 10.7% for the entire 2020. Meanwhile, both the office and residential sectors notably reported median declines in their same-store NOI during the first quarter, after posting gains in the previous year.

The regional mall segment still had the biggest median same-store NOI loss in the first quarter, plunging by 21.1% year over year. Healthcare and diversified REITs were trailing behind, ending the first quarter with median declines of 7.2% and 6.0%, respectively.

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Within the regional mall sector, Macerich Co. had the largest drop in same-store NOI at 27.6% year over year, which is also the second-largest decline across all U.S. REITs in the first quarter. Pennsylvania REIT followed closely behind with a 21.1% annual drop, while Washington Prime Group Inc. had a 17.4% year-over-year decline during the same period. Both mall REITs join Macerich Co. among the 10 REITs with the largest year-over-year drop in same-store NOI.

Leading the list of REITs with the biggest year-over-year drop in same-store NOI across the country is healthcare REIT Diversified Healthcare Trust, which ended the first quarter with a same-store NOI of \$71.4 million, a 40.6% plunge from the same quarter in 2020.

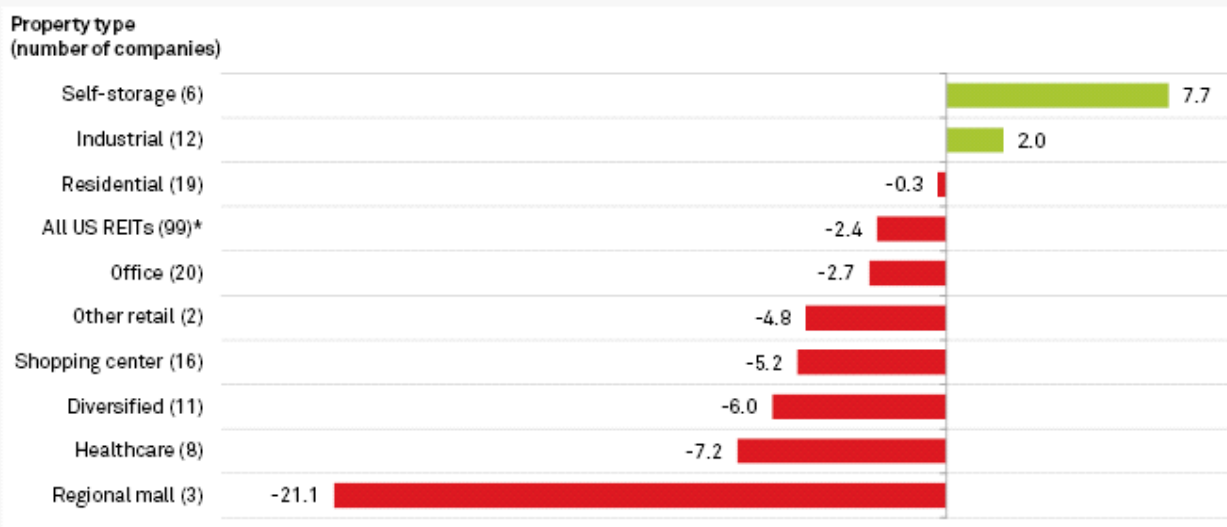
On the other hand, two sectors maintained their median year-over-year growth in same-store NOI during the first quarter. The self-storage sector performed strongly this quarter, posting the highest median growth of 7.7% year over year, followed by the industrial sector at 2.0%.

Five out of 10 U.S. REITs with the highest same-store NOI gains were from the self-storage sector. National Storage Affiliates Trust tops the list of self-storage REITs with the biggest annual gains with a same-store NOI of \$72.7 million as of quarter-end, an 11.5% increase from the first quarter of 2020.

Joining National Storage Affiliates Trust in the top 5 U.S. REITs with the highest same-store NOI gains in the first quarter were self-storage REITs CubeSmart and Life Storage Inc., with year-over-year gains of 8.9% and 8.6%, respectively.

Chart Watch

Q1'21 median same-store NOI change (%)



10 US REITs with highest same-store NOI increase in Q1'21

Company (ticker)	Property type	Market capitalization (\$M)	Same-store NOI	
			Q1'21 (\$M)	YOY change (%)
UMH Properties Inc. (UMH)	Manufactured home	975.8	22.6	15.8
National Storage Affiliates Trust (NSA)	Self-storage	3,415.2	72.7	11.5
CubeSmart (CUBE)	Self-storage	8,604.8	105.5	8.9
Life Storage Inc. (LSI)	Self-storage	7,439.2	89.9	8.6
Rexford Industrial Realty Inc. (REXR)	Industrial	7,342.3	56.7	8.2
Gladstone Commercial Corp. (GOOD)	Diversified	754.8	24.7	7.5
Terreno Realty Corp. (TRNO)	Industrial	4,403.9	32.6	7.3
Public Storage (PSA)	Self-storage	48,421.7	466.8	6.7
Extra Space Storage Inc. (EXR)	Self-storage	19,501.6	201.0	6.5
Duke Realty Corp. (DRE)	Industrial	17,125.6	161.8	6.3

10 US REITs with largest same-store NOI drop in Q1'21

Company (ticker)	Property type	Market capitalization (\$M)	Same-store NOI	
			Q1'21 (\$M)	YOY change (%)
Diversified Healthcare Trust (DHC)	Healthcare	857.8	71.4	-40.6
Macerich Co. (MAC)	Regional mall	2,959.4	152.6	-27.6
Pennsylvania Real Estate Investment Trust (PEI)	Regional mall	148.2	37.8	-21.1
Welltower Inc. (WELL)	Healthcare	30,595.9	364.5	-20.6
Ventas Inc. (VTR)	Healthcare	20,313.1	359.5	-20.2
Gladstone Land Corp. (LAND)	Land	714.3	11.8	-19.4
Mack-Cali Realty Corp. (CLI)	Diversified	1,537.0	41.7	-18.2
Washington Prime Group Inc. (WPG)	Regional mall	46.0	79.5	-17.4
Douglas Emmett Inc. (DEI)	Office	6,053.7	137.3	-16.8
Equity Residential (EQR)	Multifamily	28,050.4	380.7	-16.8

Data compiled May 21, 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 two additional specialty REITs that are not reflected in a property type category.

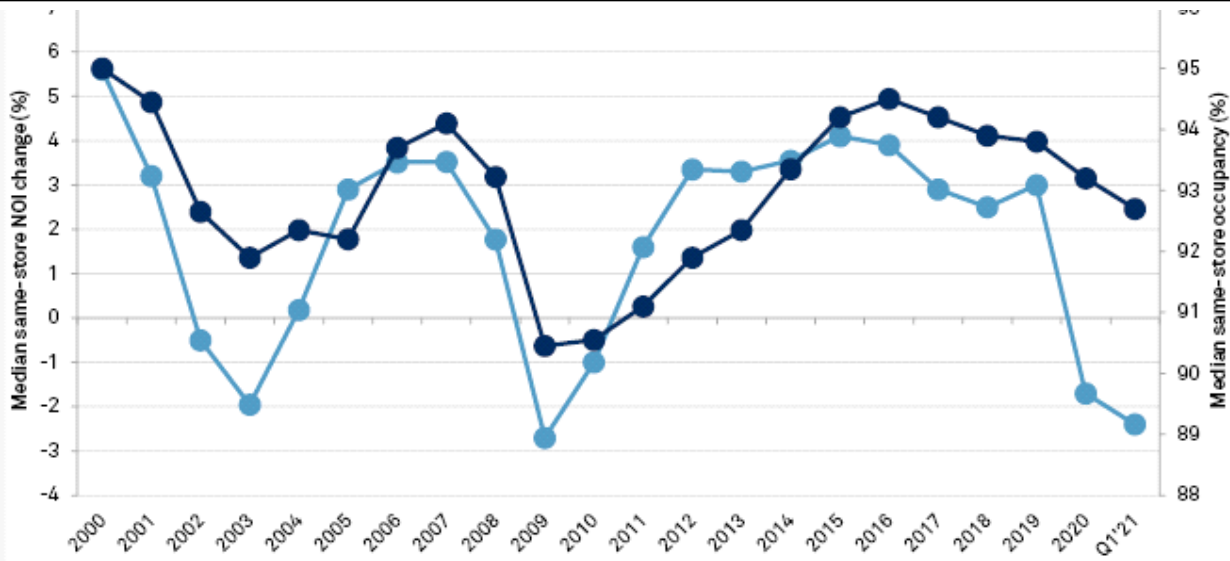
Source: S&P Global Market Intelligence

Same-store NOI change and occupancy (%)

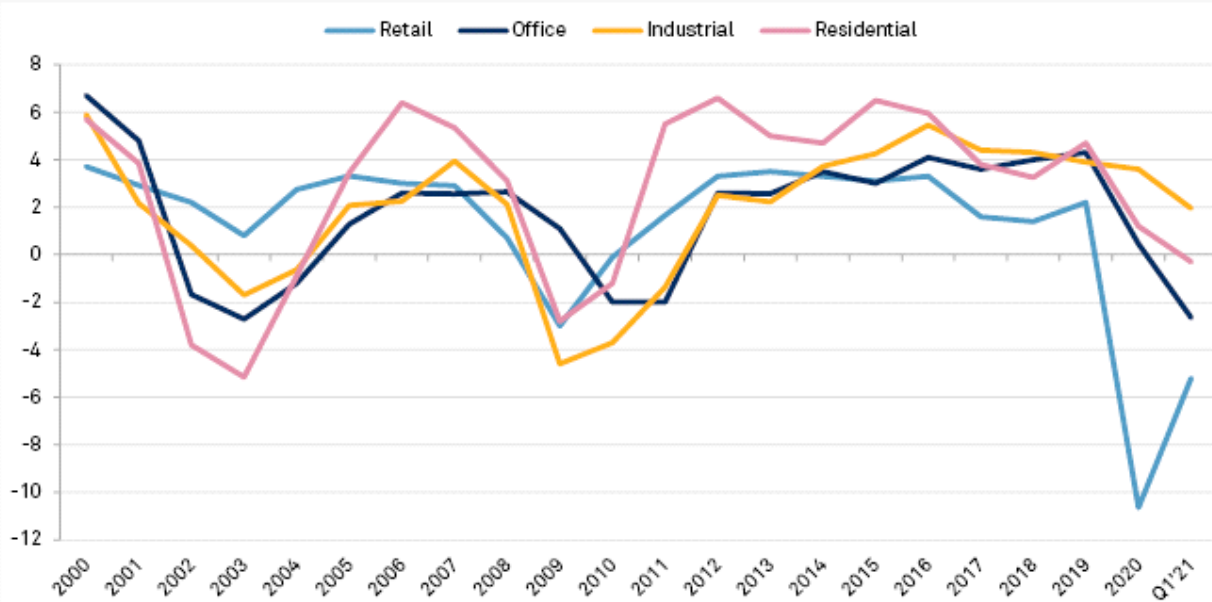
— Median same-store NOI change (%) — Median same-store occupancy (%)

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Q1



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



Data compiled May 21, 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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