

DATA DISPATCH

Self-storage REITs projected to report biggest YOY FFO growth in Q3 earnings

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By Ronamil Portes
Market Intelligence

Consensus S&P Global Market Intelligence estimates forecast self-storage real estate investment trusts to report the greatest year-over-year growth in funds from operations per share for the third quarter of 2021, at a median of 22.3%.

Consensus analyst estimates predict Extra Space Storage Inc., the second-largest self-storage REIT by market capitalization, to report FFO of \$1.70 per share, 29.9% higher than the \$1.31 per share reported by the REIT for the year-ago period and a 3.8% increase from the \$1.64 per share recorded in the previous quarter.

Apart from Extra Space Storage, self-storage REITs National Storage Affiliates Trust, Public Storage and CubeSmart, are all expected to report double-digit percentage year-over-year increases in FFO per share for the quarter.

Other retail REITs, which consist of single tenants, outlet centers and other retail, are also expected to report a large year-over-year increase in FFO per share, at a median of 10.4%, followed by shopping center REITs at 8.9%.

The optimism behind the recovery in hotels is reflected by the REIT sector's higher quarter-over-quarter growth estimates of FFO-per-share for the third quarter, at a median of 80.5%. In comparison to only a handful of REITs in the second quarter, consensus FFO-per-share estimates now show earnings for almost all hotel REITs to turn positive in the third quarter.

On the other hand, consensus analyst estimates indicate the health sector will report the lowest year-over-year growth in FFO per share, at a median of 0.1%.

Within the healthcare sector, Diversified Healthcare Trust is predicted to report the biggest drop year-over-year, with a consensus FFO-per-share estimate of 2.8 cents for the third quarter, 53.3% below the 6 cents per share recorded in the year-ago period.

Healthcare REITs Sabra Health Care REIT Inc. and National Health Investors Inc. are also projected to report double-digit percentage year-over-year decline in FFO per share at 18.9% and 14.9%, respectively.

Chart Watch

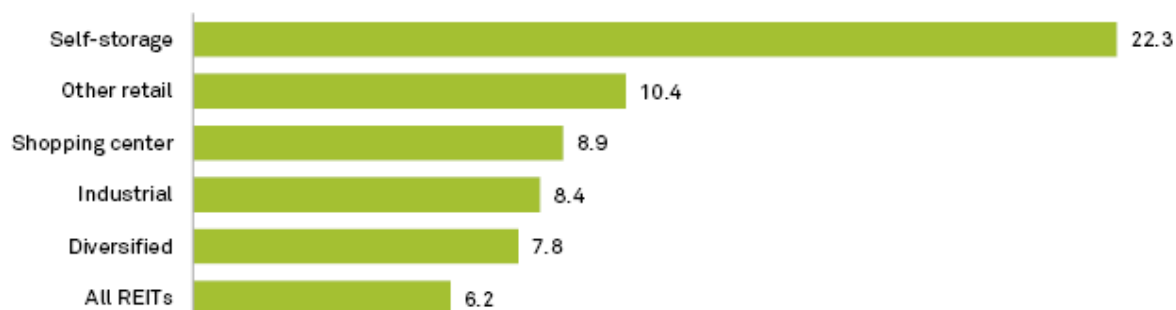
Median estimated FFO per share, AFFO per share, EBITDA growth by property type

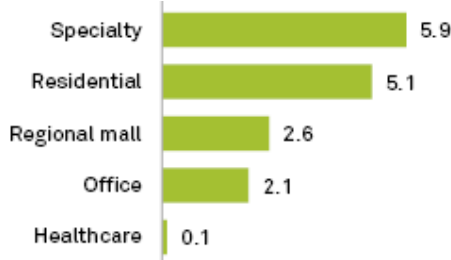
Sector	FFO — Q3'21 mean estimate		AFFO — Q3'21 mean estimate		EBITDA — Q3'21 mean estimate	
	Vs. actual Q2'21 (%)	Vs. actual Q3'20 (%)	Vs. actual Q2'21 (%)	Vs. actual Q3'20 (%)	Vs. actual Q2'21 (%)	Vs. actual Q3'20 (%)
	Self-storage	3.8	22.3	11.4	27.9	NA
Other retail	0.4	10.4	-0.2	10.1	4.7	34.0
Shopping center	-6.0	8.9	-16.3	-0.4	-5.7	7.6
Industrial	1.2	8.4	-0.6	1.5	5.1	13.3
Diversified	-1.3	7.8	-3.0	6.2	3.6	11.0
Specialty	-1.3	5.9	-0.3	6.0	0.0	7.2
Residential	1.3	5.1	4.3	10.0	3.7	6.6
Regional mall	-24.9	2.6	-21.1	11.0	-5.7	18.2
Office	-0.8	2.1	-4.1	-1.8	2.8	0.5
Healthcare	1.0	0.1	-1.7	-1.3	2.0	5.1
All REITs	0.5	6.2	-0.7	4.9	2.9	9.8

Hotel REITs' FFO per share, EBITDA

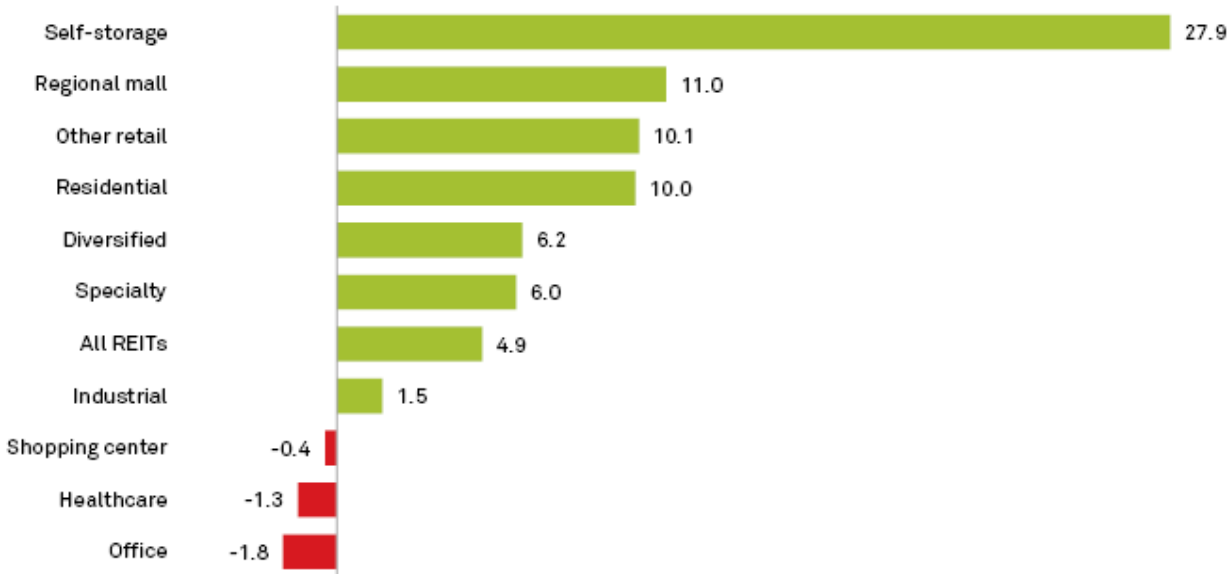
Company (ticker)	Market capitalization (\$M)	FFO per share			EBITDA		
		Q3'21 estimate (\$)	Q2'21 (\$)	Q3'20 (\$)	Q3'21 estimate (\$M)	Q2'21 (\$M)	Q3'20 (\$M)
Host Hotels & Resorts Inc. (HST)	11,980.5	0.13	0.12	-0.21	129.0	110.0	-111.0
Ryman Hospitality Properties Inc. (RHP)	4,581.9	0.78	-0.03	-1.09	73.5	28.2	-34.8
Park Hotels & Resorts Inc. (PK)	4,521.7	-0.03	-0.16	-0.63	61.6	33.0	-89.0
Apple Hospitality REIT Inc. (APLE)	3,674.0	0.30	0.30	0.04	84.7	86.4	28.0
Pebblebrook Hotel Trust (PEB)	2,978.4	0.17	-0.12	-0.51	54.0	17.1	-27.6
Sunstone Hotel Investors Inc. (SHO)	2,692.0	0.08	-0.01	-0.29	29.9	15.3	-36.2
RLJ Lodging Trust (RLJ)	2,442.3	0.14	0.07	-0.32	56.0	43.6	-19.2
Xenia Hotels & Resorts Inc. (XHR)	2,027.2	0.11	0.08	-0.27	30.1	27.4	-21.1
DiamondRock Hospitality Co. (DRH)	1,956.7	0.11	0.05	-0.22	34.9	19.8	-24.4
Service Properties Trust (SVC)	1,938.7	0.19	0.16	0.14	121.7	118.6	103.6
Summit Hotel Properties Inc. (INN)	1,084.7	0.15	0.08	-0.10	30.1	21.7	2.5
Chatham Lodging Trust (CLDT)	618.7	0.20	0.10	-0.09	17.0	12.5	5.1
Ashford Hospitality Trust Inc. (AHT)	425.8	0.00	0.04	-45.70	42.9	31.4	-22.7
Hersha Hospitality Trust (HT)	354.5	0.05	-0.04	-0.46	20.0	16.6	-8.6
Braemar Hotels & Resorts Inc. (BHR)	289.3	0.22	0.20	-0.15	20.5	19.6	-3.1

Estimated Q3'21 median yearly FFO-per-share growth by property type (%)

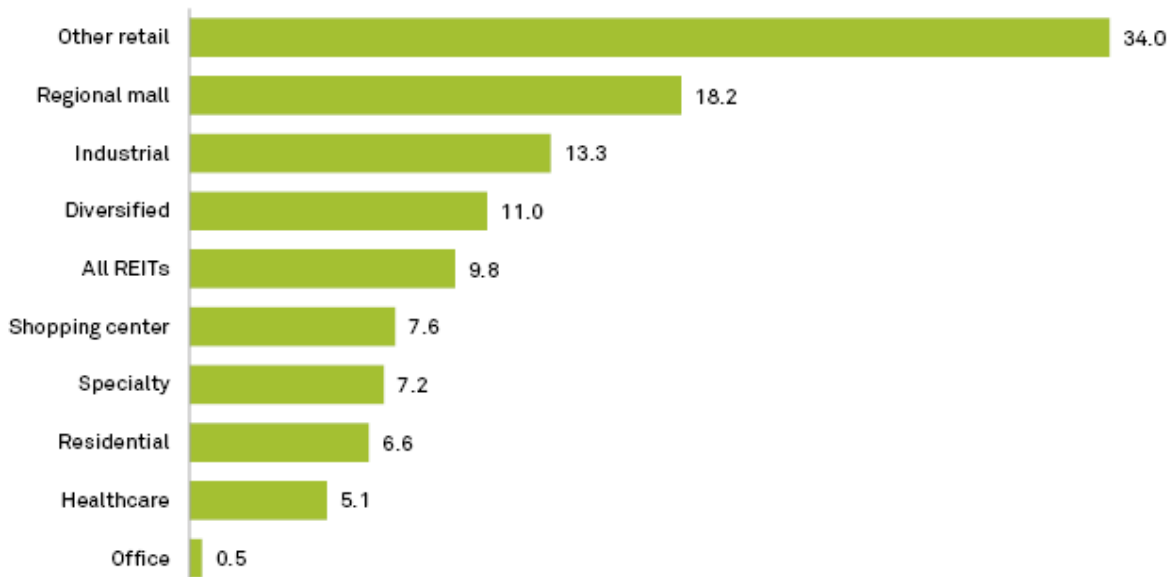




Estimated Q3'21 median yearly AFFO-per-share growth by property type (%)



Estimated Q3'21 median yearly EBITDA growth by property type (%)



Data compiled Oct. 18, 2021.

FFO = funds from operations; AFFO = adjusted funds from operations; NA = not available

Growth values calculated from unrounded S&P Global Market Intelligence consensus estimates and reported values.

Limited to U.S. equity REITs that trade on the Nasdaq, NYSE or NYSE American with market caps greater than \$200 million as of Oct. 15, 2021, and three or more S&P Global Market Intelligence estimates for the fiscal quarter ended Sept. 30, 2021, or Oct. 31, 2021.

Specialty sector includes advertising, casino, communications, data center, energy infrastructure, land, prison, timber and other specialty REITs; residential sector includes manufactured home, multifamily, single family and student housing REITs.

Source: S&P Global Market Intelligence

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