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Federal Realty Investment Trust Reports First Quarter 2026 Results

NORTH BETHESDA, Md., May 1, 2026 /PRNewswire/ -- Federal Realty Investment Trust (NYSE:FRT) today reported its results for the first quarter ended March 31, 2026. For the three months ended March 31, 2026 and 2025, net income available for common shareholders was \$1.81 per diluted share and \$0.72 per diluted share, respectively. Operating income for the same periods was \$209.0 million and \$108.1 million, respectively. Results for the current quarter include a \$92.7 million gain on sale of real estate, primarily related to the February sale of Misora at Santana Row,

compared to \$1.2 million in the first quarter of 2025.

Highlights for the first quarter and subsequent to quarter-end include:

- Generated Nareit-defined funds from operations available to common shareholders (Nareit FFO) per diluted share of \$1.88 for the quarter, a 10.6% increase over \$1.70 in the first quarter of 2025.
 - Generated Core funds from operations available to common shareholders (Core FFO) per diluted share of \$1.88 for the quarter, also a 10.6% increase year-over-year.
- Signed 101 leases for 649,078 square feet of comparable retail space — a first-quarter volume record — with rent growth of 13% on a cash basis and 23% on a straight-line basis.
 - On a trailing twelve-month basis, signed 448 leases for 2,620,601 square feet of comparable retail space — also a volume record — with rent growth of 16% on a cash basis and 28% on a straight-line basis.
- Generated comparable property operating income (POI) growth of 4.7%.
 - Adjusted comparable POI growth (excluding straight-line rents and amortization of in-place leases) was 5.1%.
- Reported overall portfolio occupancy of 93.8% and a leased rate of 96.1% at quarter end, with:
 - Occupancy down 30 basis points and leased rate flat quarter-over-quarter.
 - Occupancy up 20 basis points and leased rate up 40 basis points year-over-year.
- Continued strong small shop leased rate, ending the quarter at 93.8% leased, representing an increase of 30 basis points year-over-year.

- Acquired two properties:
 - Acquired Congressional North Shopping Center in Montgomery County, MD on March 12, 2026 for \$72.3 million, expanding Federal's presence along Rockville Pike, one of the Washington DC region's most established commercial corridors.
 - Acquired an adjacent retail parcel at Kingstowne Towne Center in Alexandria, VA for \$19.7 million on April 17, 2026, completing the retail assemblage at the center.
- Completed approximately \$159 million of peripheral residential and mature retail dispositions in the first quarter.
- Raised and tightened guidance for 2026 earnings per diluted share to \$3.94 - \$4.03.
- Raised and tightened guidance for both 2026 Nareit FFO and Core FFO per diluted share to \$7.46 - \$7.55, representing 6.3% growth at the midpoint year-over-year.

"We delivered a strong start to the year, exceeding expectations and continuing the momentum we built in 2025. Our portfolio is performing well amid a volatile macro environment, reflecting both the strength of our platform and the resilience of the higher-income consumer we serve," said Donald C. Wood, Chief Executive Officer of Federal Realty. "With this performance, we are increasing our outlook for 2026, reinforcing our confidence in the consistency and durability of our earnings growth."

Financial Results

Net Income

For the first quarter of 2026, net income available for common shareholders was \$157.1 million and

earnings per diluted share was \$1.81 versus \$61.8 million and \$0.72, respectively, for the first quarter of 2025.

FFO

Nareit FFO was \$162.6 million, or \$1.88 per diluted share, for the first quarter of 2026, compared to \$146.5 million, or \$1.70 per diluted share, in the first quarter of 2025, a 10.6% per-share increase.

Core FFO was \$162.6 million, or \$1.88 per diluted share, for the first quarter of 2026, compared to \$146.4 million, or \$1.70 per diluted share, in the first quarter of 2025, a 10.6% per-share increase.

Nareit FFO is a non-GAAP supplemental earnings measure which the Trust considers meaningful in measuring its operating performance. Core FFO adjusts Nareit FFO to exclude the impact of certain items that management considers are not indicative of the company's ongoing operating and financial performance. See attachments for a reconciliation of Nareit FFO and Core FFO and a full definition of Core FFO.

Operational Update

Occupancy

The following operational metrics for the commercial portfolio are as of March 31, 2026:

- Overall portfolio occupancy was 93.8%, down 30 basis points sequentially and up 20 basis points year-over-year.
- Overall portfolio leased rate was 96.1%, flat sequentially and up 40 basis points year-over-year.

- Small shop leased rate was 93.8%, flat sequentially and up 30 basis points year-over-year.

The residential leased rate for comparable properties was 95.6% as of March 31, 2026, up 100 basis points year-over-year.

Leasing Activity

During the first quarter of 2026, Federal Realty signed 106 leases totaling 661,158 square feet of retail space. On a comparable space basis, the company signed 101 leases for 649,078 square feet — a first-quarter volume record — at an average rent of \$35.79 per square foot, compared to \$31.75 under prior leases, representing a 13% increase on a cash basis and 23% increase on a straight-line basis.

On a trailing twelve-month basis, Federal Realty signed 448 comparable leases totaling 2,620,601 square feet — also a volume record — representing 16% rent spreads on a cash basis and 28% on a straight-line basis.

Transaction Activity

- February 5, 2026 — sold two assets for a combined \$158.5 million:
 - Misora, a peripherally located residential component of Santana Row in San Jose, CA, for \$148.5 million; and
 - Courthouse Center, a 33,000-square-foot neighborhood shopping center in Rockville, MD, for \$10.0 million.
- March 12, 2026 — acquired Congressional North Shopping Center for \$72.3 million, a 217,000-square-foot grocery-anchored center, strategically deepening Federal's presence along Rockville Pike in

Montgomery County, MD.

- April 17, 2026 — acquired an adjacent 88,000-square-foot retail parcel at Kingstowne Towne Center in Alexandria, VA for \$19.7 million, completing the retail assemblage at the center, which Federal originally acquired in 2022.

Financing Activity

- On February 17, 2026, the company repaid its \$400 million 1.25% senior notes at maturity, refinanced with a draw on its previously announced delayed draw \$250 million term loan and the remaining \$150 million funded from the revolving credit facility.
- On April 14, 2026, the company amended and restated the \$1.25 billion revolving credit facility, increasing the borrowing capacity to \$1.4 billion, reducing the SOFR spread to 72.5 basis points, and extending the maturity date to April 12, 2030, plus two optional six-month extensions.

Regular Quarterly Dividends

Federal Realty announced today that its Board of Trustees declared a regular quarterly cash dividend of \$1.13 per common share, resulting in an indicated annual rate of \$4.52 per common share. The regular common dividend will be payable on July 15, 2026 to common shareholders of record as of July 1, 2026.

Federal Realty's Board of Trustees also declared a quarterly cash dividend on its Class C depositary shares, each representing 1/1000 of a 5.000% Series C Cumulative Preferred Share of Beneficial Interest, of \$0.3125 per depositary share. All dividends on the depositary shares will be payable on July 15, 2026 to shareholders of record as of July 1, 2026.

2026 Guidance

Federal Realty has raised and tightened its 2026 earnings per diluted share, Nareit FFO, and Core FFO guidance, as summarized in the table below:

<u>Full Year 2026 Guidance</u>	<u>Revised Guidance</u>	<u>Prior Guidance</u>
Net income available for common shareholders per diluted share	\$3.94 to \$4.03	\$3.90 to \$4.00
Nareit FFO per diluted share	\$7.46 to \$7.55	\$7.42 to \$7.52
Core FFO per diluted share	\$7.46 to \$7.55	\$7.42 to \$7.52
<i>% Core FFO growth over the prior year</i>	5.7% - 6.9%	5.1% - 6.5%

Conference Call Information

Federal Realty's management team will present an in-depth discussion of Federal Realty's operating performance on its first quarter 2026 earnings conference call, which is scheduled for Friday, May 1, 2026 at 9:00 AM ET. To participate, please call 833-821-4548 or 412-652-1258 prior to the call start time. The teleconference can also be accessed via a live webcast at www.federalrealty.com in the Investors section. A replay of the webcast will be available on Federal Realty's website at www.federalrealty.com. A telephonic replay of the conference call will also be available through May 15, 2026 by dialing 844-512-2921 or 412-317-6671; Passcode: 10207838.

About Federal Realty

Federal Realty is a recognized leader in the ownership, operation and redevelopment of high-quality retail-based properties located primarily in major coastal markets and select underserved regions with strong economic and demographic fundamentals. Founded in 1962, Federal Realty's mission is to

deliver long-term, sustainable growth through investing in communities where retail demand exceeds supply. This includes a portfolio of open-air shopping centers and mixed-use destinations—such as Santana Row, Pike & Rose and Assembly Row—which together reflect the company's ability to create distinctive, high-performing environments that serve as vibrant destinations for their communities. Federal Realty's 104 properties include approximately 3,800 tenants in 29.0 million commercial square feet, and approximately 2,500 residential units.

Federal Realty has increased its quarterly dividends to its shareholders for 58 consecutive years, the longest record in the REIT industry. The company is an S&P 500 index member and its shares are traded on the NYSE under the symbol FRT. For additional information about Federal Realty and its properties, visit www.federalrealty.com.

Safe Harbor Language

Certain matters discussed within this Press Release may be deemed to be forward-looking statements within the meaning of the federal securities laws. Although Federal Realty believes the expectations reflected in the forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained. These factors include, but are not limited to, the risk factors described in our Annual Report on Form 10-K filed on February 12, 2026 and include the following:

- *risks that our tenants will not pay rent, may vacate early or may file for bankruptcy or that we may be unable to renew leases or re-let space at favorable rents as leases expire or to fill existing vacancy;*
- *risks that we may not be able to proceed with or obtain necessary approvals for any development, redevelopment or renovation project, and that completion of anticipated or ongoing property development,*

redevelopment or renovation projects that we do pursue may cost more, take more time to complete or fail to perform as expected;

- risks normally associated with the real estate industry, including risks that occupancy levels at our properties and the amount of rent that we receive from our properties may be lower than expected, that new acquisitions may fail to perform as expected, that competition for acquisitions could result in increased prices for acquisitions, that costs associated with the periodic maintenance and repair or renovation of space, insurance and other operations may increase, that environmental issues may develop at our properties and result in unanticipated costs, and, because real estate is illiquid, that we may not be able to sell properties when appropriate;*
- risks that our growth will be limited if we cannot obtain additional capital, or if the costs of capital we obtain are significantly higher than historical levels;*
- risks associated with general economic conditions, including inflation, tariffs, and local economic conditions in our geographic markets;*
- risks of financing on terms which are acceptable to us, our ability to meet existing financial covenants and the limitations imposed on our operations by those covenants, and the possibility of increases in interest rates that would result in increased interest expense;*
- risks related to our status as a real estate investment trust, commonly referred to as a REIT, for federal income tax purposes, such as the existence of complex tax regulations relating to our status as a REIT, the effect of future changes in REIT requirements as a result of new legislation, and the adverse consequences of the failure to qualify as a REIT; and*
- risks related to natural disasters, climate change and public health crises (such as worldwide pandemics), and the measures that international, federal, state and local governments, agencies, law enforcement and/*

or health authorities implement to address them, may precipitate or materially exacerbate one or more of the above-mentioned risks, and may significantly disrupt or prevent us from operating our business in the ordinary course for an extended period.

Given these uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements that we make, including those in this Press Release. Except as required by law, we make no promise to update any of the forward-looking statements as a result of new information, future events, or otherwise. You should review the risks contained in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 12, 2026.

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Federal Realty Investment Trust

Consolidated Balance Sheets

March 31, 2026

March 31,	December 31,
2026	2025

(in thousands, except share and

per share data)

	(unaudited)	
ASSETS		
Real estate, at cost		
Operating (including \$1,898,790 and \$1,832,190 of consolidated variable interest entities, respectively)	\$ 11,302,971	\$ 11,265,167
Construction-in-progress (including \$30,376 and \$28,418 of consolidated variable interest entities, respectively)	358,950	374,735
	<u>11,661,921</u>	<u>11,639,902</u>
Less accumulated depreciation and amortization (including \$474,534 and \$468,725 of consolidated variable interest entities, respectively)	(3,394,099)	(3,351,881)
Net real estate	8,267,822	8,288,021
Cash and cash equivalents	115,633	107,415
Accounts and notes receivable, net	249,428	249,755
Mortgage notes receivable, net	—	9,091
Investment in partnerships	31,105	31,881
Operating lease right of use assets, net	82,234	83,120
Finance lease right of use assets, net	6,356	6,410
Prepaid expenses and other assets	344,192	354,767
TOTAL ASSETS	<u><u>\$ 9,096,770</u></u>	<u><u>\$ 9,130,460</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Mortgages payable, net (including \$191,475 and \$194,176 of consolidated variable	\$ 519,021	\$ 521,759

interest entities, respectively)		
Notes payable, net	1,365,333	1,057,331
Senior notes and debentures, net	2,965,414	3,364,010
Accounts payable and accrued expenses	222,187	219,678
Dividends payable	99,926	99,792
Security deposits payable	32,489	31,548
Operating lease liabilities	71,484	72,304
Finance lease liabilities	12,935	12,903
Other liabilities and deferred credits	243,637	250,494
Total liabilities	5,532,426	5,629,819
Commitments and contingencies		
Redeemable noncontrolling interests	182,827	181,655
Shareholders' equity		
Preferred shares, authorized 15,000,000 shares, \$0.01 par:		
5.0% Series C Cumulative Redeemable Preferred Shares, (stated at liquidation preference \$25,000 per share), 6,000 shares issued and outstanding	150,000	150,000
5.417% Series 1 Cumulative Convertible Preferred Shares, (stated at liquidation preference \$25 per share), 392,878 shares issued and outstanding	9,822	9,822
Common shares of beneficial interest, \$0.01 par, 200,000,000 shares authorized, 86,386,687 and 86,266,009 shares issued and outstanding, respectively	870	869
Additional paid-in capital	4,310,277	4,310,365
Accumulated dividends in excess of net income	(1,164,907)	(1,224,372)

Accumulated other comprehensive income	5,075	2,047
	<u>3,311,137</u>	<u>3,248,731</u>
Total shareholders' equity of the Trust		
Noncontrolling interests	70,380	70,255
	<u>3,381,517</u>	<u>3,318,986</u>
Total shareholders' equity		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 9,096,770</u>	<u>\$ 9,130,460</u>

Federal Realty Investment Trust

Consolidated Income Statements

March 31, 2026

	Three Months Ended	
	March 31,	
	<u>2026</u>	<u>2025</u>
	(in thousands, except per share data)	
	(unaudited)	
REVENUE		
Rental income	\$ 332,658	\$ 302,294
Other property income	7,890	6,585
Mortgage interest income	536	275
	<u>341,084</u>	<u>309,154</u>
Total revenue		
EXPENSES		
Rental expenses	74,697	67,804

Real estate taxes	38,971	36,567
General and administrative	11,925	10,875
Depreciation and amortization	99,217	86,946
Total operating expenses	224,810	202,192
Gain on sale of real estate	92,711	1,171
OPERATING INCOME	208,985	108,133
OTHER INCOME/(EXPENSE)		
Other interest income	1,040	743
Interest expense	(49,116)	(42,475)
Income from partnerships	161	177
NET INCOME	161,070	66,578
Net income attributable to noncontrolling interests	(1,971)	(2,810)
NET INCOME ATTRIBUTABLE TO THE TRUST	159,099	63,768
Dividends on preferred shares	(2,008)	(2,008)
NET INCOME AVAILABLE FOR COMMON SHAREHOLDERS	\$ 157,091	\$ 61,760
EARNINGS PER COMMON SHARE, BASIC		
Net income available for common shareholders	\$ 1.82	\$ 0.72
Weighted average number of common shares	86,040	85,472
EARNINGS PER COMMON SHARE, DILUTED		

Net income available for common shareholders	\$	1.81	\$	0.72
Weighted average number of common shares		86,662		85,472

Federal Realty Investment Trust

Funds From Operations

March 31, 2026

Three Months Ended

March 31,

2026 2025

(in thousands, except per share data)

Nareit Funds from Operations available for common shareholders (Nareit FFO) (1)

Net income	\$	161,070	\$	66,578
Net income attributable to noncontrolling interests		(1,971)		(2,810)
Gain on sale of real estate		(92,711)		(1,171)
Depreciation and amortization of real estate assets		84,778		76,498
Amortization of initial direct costs of leases		13,233		9,077
Funds from operations		164,399		148,172
Dividends on preferred shares (2)		(1,875)		(1,875)
Income attributable to downREIT operating partnership units		596		669
Income attributable to unvested shares		(567)		(490)
Nareit FFO	\$	162,553	\$	146,476

Weighted average number of common shares, diluted (2)(3)	86,662	86,177
	<u>86,662</u>	<u>86,177</u>
Nareit FFO per diluted share (3)	\$ 1.88	\$ 1.70
	<u>\$ 1.88</u>	<u>\$ 1.70</u>
<u>Core Funds from Operations (Core FFO) (1)</u>		
Nareit FFO	\$ 162,553	\$ 146,476
Adjustments:		
Collection of prior period rents deferred during COVID	—	(67)
	<u>—</u>	<u>(67)</u>
Core FFO	\$ 162,553	\$ 146,409
	<u>\$ 162,553</u>	<u>\$ 146,409</u>
Core FFO per diluted share (3)	\$ 1.88	\$ 1.70
	<u>\$ 1.88</u>	<u>\$ 1.70</u>

Notes:

- (1) See Glossary of Terms.
- (2) For the three months ended March 31, 2026 and 2025, dividends on our Series 1 preferred stock were not deducted in the calculation of FFO available to common shareholders, as the related shares were dilutive and are included in "weighted average number of common shares, diluted."
- (3) The weighted average common shares used to compute Nareit and Core FFO per diluted common share includes downREIT operating partnership units that were excluded from the computation of diluted EPS. Conversion of these operating partnership units is dilutive in the computation of Nareit and Core FFO per diluted share for all periods presented, but is anti-dilutive for the computation of diluted EPS for the three months ended March 31, 2025.

Reconciliation of the range of estimated earnings per diluted share to estimated Nareit FFO and Core FFO per diluted share for

the full year 2026:

	Full Year 2026 Guidance Range Range	
	Low	High
Estimated net income available for common shareholders per diluted share	\$ 3.94	\$ 4.03
Adjustments:		
Estimated gain on sale of real estate	(1.06)	(1.06)
Estimated depreciation and amortization	4.58	4.58
Estimated Nareit FFO and Core FFO per diluted share	\$ 7.46	\$ 7.55

See Glossary of Terms. Individual items may not add up to total due to rounding.

Federal Realty Investment Trust

Comparable Property Information

March 31, 2026

Comparable Properties represents our consolidated property portfolio other than those properties that distort comparability between periods in two primary categories: (1) assets that were not owned for the full quarter in both periods presented and (2) assets currently under development or being repositioned for significant redevelopment and investment. Property Operating Income ("POI") is defined as total revenue less rental expenses and real estate taxes. Comparable Property property operating income ("Comparable Property POI") and Comparable Property POI - Adjusted are non-GAAP measures used by management in evaluating the operating performance of our properties period over period. Comparable Property POI - Adjusted excludes the impact of straight-line rents and amortization of in-place leases from Comparable Property POI.

Reconciliation of GAAP operating income to Comparable Property POI and Comparable Property POI - Adjusted

	Three Months Ended	
	March 31,	
	2026	2025
	(in thousands)	
Operating income	\$ 208,985	\$ 108,133
Add:		
Depreciation and amortization	99,217	86,946
General and administrative	11,925	10,875
Gain on sale of real estate	(92,711)	(1,171)
POI	227,416	204,783
Less: Non-comparable POI - acquisitions/dispositions	(15,912)	(7,130)
Less: Non-comparable POI - redevelopment, development & other	(10,934)	(6,024)
Comparable Property POI	\$ 200,570	\$ 191,629
Less: Straight-line rents	(4,591)	(5,392)
Less: Amortization of in-place leases	(3,021)	(2,691)
Comparable Property POI - Adjusted	\$ 192,958	\$ 183,546

Glossary of Terms

Nareit-defined Funds From Operations (Nareit FFO): Nareit FFO is a supplemental measure of real estate companies' operating performances. NAREIT defines FFO as follows: net income, computed in

accordance with GAAP plus real estate related depreciation and amortization, gains and losses on sale of real estate, and impairment write-downs of depreciable real estate. Nareit developed FFO as a relative measure of performance and liquidity of an equity REIT in order to recognize that the value of income-producing real estate historically has not depreciated on the basis determined under GAAP. However, Nareit FFO does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income); should not be considered an alternative to net income as an indication of our performance; and is not necessarily indicative of cash flow as a measure of liquidity or ability to pay dividends. We consider Nareit FFO a meaningful, additional measure of operating performance primarily because it excludes the assumption that the value of real estate assets diminishes predictably over time, and because industry analysts have accepted it as a performance measure. Comparison of our presentation of Nareit FFO to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the Nareit definition used by such REITs.

Core Funds From Operations (Core FFO): Core FFO is a supplemental non-GAAP financial measure of performance that adjusts Nareit FFO to exclude the impact of certain items that management considers are not indicative of the Company's ongoing operating and financial performance. These adjustments include, when applicable, (1) gains or losses on early extinguishment of debt, (2) new market tax credit transaction income, (3) executive transition costs, (4) collection of prior period rents which were contractually deferred or payments renegotiated related to the COVID-19 pandemic, and (5) other items as determined by management. Management believes Core FFO provides enhanced comparability across periods and additional insight into the Company's underlying operating results, by excluding items that may reflect short-term fluctuations in net income and Nareit FFO. Core FFO is not intended to be a substitute for net income or Nareit FFO.

Comparison of our presentation of Core FFO to similarly titled measures for other REITs may not be meaningful due to possible differences in the way Core FFO is defined or applied by other REITs.

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