

2026 REIT Watchlist (Research Edition)

A structured set of REIT themes to watch in 2026 + a 10-minute quality scorecard to help you spot durable income and avoid “dividend traps.”

Prepared for: Majestic Coaching & Consulting | **Use:** Education & research

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How to use this watchlist (3 steps)

1. Pick **2–3 sectors** you understand and can explain in one sentence.
2. Identify **3–5 REITs** in each sector (your “watch names”).
3. Score each using the **Majestic 5-Point Scorecard** before taking action.

A) 2026 REIT themes to watch

1) Data Centers

Why	AI workloads, cloud adoption, and enterprise demand can support long-term leasing and pricing power.
Watch	<ul style="list-style-type: none">• Lease structure (long vs. short term) and renewal spreads• Customer concentration and counterparty strength• Power availability constraints in key markets
Red flags	Excessive leverage, heavy single-customer exposure, weak dividend coverage.

2) Industrial / Logistics

Why	Supply-chain modernization and last-mile logistics can support demand for well-located warehouses.
Watch	<ul style="list-style-type: none">• Occupancy and rent growth (same-store trends)• Tenant quality and lease rollover schedule• Exposure to cyclical end-markets
Red flags	Large lease rollovers during weak demand; slowing rent spreads.

3) Healthcare (Medical Office / Senior Housing / Hospitals)

Why Aging demographics can support long-run demand; asset/operator quality is critical.

Watch

- Operator quality (especially senior housing)
- Rent coverage ratios and tenant health
- Regulatory/reimbursement sensitivity

Red flags Weak operator metrics; heavy reliance on a single operator/tenant.

4) Net Lease

Why Long leases can produce predictable cash flow (rates and cost of capital matter).

Watch

- WALT (weighted average lease term)
- Tenant credit quality and diversification
- Acquisition spreads vs. cost of capital

Red flags Risky tenant mix; growth dependent on cheap financing.

5) Multifamily (Apartments)

Why Housing demand can be durable, but outcomes depend heavily on local supply and employment.

Watch

- Local supply pipeline in core markets
- Same-store NOI growth trend
- Rent collection and delinquencies

Red flags Oversupplied metros; weakening wage growth relative to rent levels.

6) Single-Family Rentals (SFR)

Why “Own housing exposure without being a landlord” aligns with passive-income goals.

Watch

- Occupancy and rent growth
- Maintenance/capex discipline
- Geographic concentration

Red flags Rising maintenance/capex while rent growth slows.

7) Self-Storage

Why Often resilient, but highly sensitive to local new supply.

- Watch**
- New supply in key submarkets
 - Same-store revenue and occupancy trends
 - Pricing power vs. promotions/discounting

Red flags Heavy discounting; weakening occupancy with supply still coming.

8) Retail (Grocery-Anchored Shopping Centers)

Why Necessity-based traffic can be durable; tenant mix quality matters.

- Watch**
- Tenant mix (essential vs. discretionary)
 - Same-store NOI growth
 - Lease spreads and occupancy cost metrics

Red flags Weak tenants; high exposure to struggling discretionary categories.

9) Specialty (Student Housing / Manufactured Housing / Timber, etc.)

Why Can diversify a portfolio, but often comes with unique risks and complexity.

- Watch**
- Cyclical and regulatory risk
 - Management track record
 - Asset quality and pricing power

Red flags Complexity you cannot explain clearly; unclear risk drivers.

B) The Majestic 5-Point REIT Quality Scorecard (10 minutes per REIT)

Score each category 0–2 points (0 = weak, 2 = strong). Max score: 10.

Category	0 points (Weak)	1 point (Okay)	2 points (Strong)
1) Cash Flow Strength (FFO/ AFFO trend)	Declining / inconsistent	Flat / mixed	Growing steadily
2) Dividend Safety (payout vs. AFFO)	Stretched / unclear	Acceptable but tight	Conservative with cushion
3) Balance Sheet (leverage + maturities)	High leverage / near-term refinancing pressure	Moderate leverage	Strong + well-laddered maturities
		Mixed quality	

4) Asset & Tenant Quality	Weak tenants / obsolete assets		High-quality assets + diversified tenants
5) Valuation Discipline	Expensive / hype-driven	Fair	Reasonable with margin of safety

Majestic rule: Don't buy "yield." Buy **quality cash flow** .

C) Dividend trap red flags (instant "no's")

- Dividend yield is high because price collapsed while fundamentals deteriorated
- Frequent equity issuance that dilutes shareholders without clear value creation
- Refinancing wall in the next 12–24 months with weak coverage
- Overconcentration in one tenant, one market, or one operator
- Management guidance is consistently missed or "adjusted" aggressively

D) Personal watchlist tracker (copy into Sheets/Notion)

Sector	REIT Name / Ticker	Thesis (1 sentence)	FFO/ AFFO Trend	Payout Ratio	Leverage	Tenant Quality	Score / 10	Notes
Data Centers								
Industrial								
Healthcare								
Net Lease								
Multifamily								

Tip: Keep your watchlist focused. It's better to track 10 high-quality names deeply than 50 names casually.