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MANAGEMENT DISCUSSION SECTION

Operator: Good day, and welcome to the Federal Realty Investment Trust First Quarter 2026 Earnings Conference Call. All participants will be in listen-only mode. [Operator Instructions] After today's presentation, there will be an opportunity to ask questions. [Operator Instructions] Please also note today's event is being recorded.

I would now like to turn the conference over to Jill Sawyer, Senior Vice President, Investor Relations. Please go ahead.

Jill Sawyer

Senior Vice President & Head-Investor Relations, Federal Realty Investment Trust

Thanks, Rocco, and good morning, everyone. Thank you for joining us today for Federal Realty's first quarter 2026 earnings conference call. Joining me on the call are Don Wood, Federal's Chief Executive Officer; Dan Guglielmo, Chief Financial Officer; Wendy Seher, Eastern Region President and Chief Operating Officer; and Jan Sweetnam, Chief Investment Officer; as well as other members of our executive team are available to take your questions at the conclusion of our prepared remarks.

A reminder that certain matters discussed on this call may be deemed to be forward-looking statements. Forward-looking statements include any annualized or projected information as well as statements referring to expected or anticipated events or results, including guidance. Although Federal Realty believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, Federal Realty's future operations and its actual performance may differ materially from the information in our forward-looking statements, and we can give no assurance that these expectations can be attained.

The earnings release and supplemental reporting package that we issued this morning, our Annual Report filed on Form 10-K and our other financial disclosure documents provide a more in-depth discussion of risk factors that may affect our financial condition and operational results.

Given the number of participants on the call, we kindly ask that you limit yourself to one question during the Q&A portion. If you have additional questions, please re-queue.

And with that, I will turn the call over to Don Wood.

Donald C. Wood

President, Chief Executive Officer & Board Trustee, Federal Realty Investment Trust

Well, thanks, Jill, and good morning, everybody. The combination of stepped-up capital recycling portfolio-wide, the strong incremental cash flow, the result of near record leasing in terms of both volume and rate over the past 18 months, and the beginnings of meaningful incremental contributions from previous year's development spend are showing up on bottom line results with FFO per share of \$1.88, besting a year ago's quarter by 10.6%, setting the stage for this quarter's earnings beat and enabling us to raise guidance for the balance of the year. More details from Dan in a few minutes.

Lease termination fees, direct results, strong landlord-oriented leases and an important part of our business were higher this quarter compared to a year ago by \$2.8 million, although higher snow removal and related energy

expenses net of recoveries caused by the season's unusually rough winter were also higher this quarter by over \$2 million. Of course, we still grew at 9% even if you eliminate just the termination fee impact.

Capital recycling this quarter saw us close on the sales of Misora apartments at Santana Row and Courthouse Shopping Center in Rockville, Maryland, for a combined proceeds of \$159 million at a combined cap rate well inside 5%. Subsequently, we closed on the acquisition of Congressional North Shopping Center, directly adjacent to our long-held A-rated Congressional Plaza in Rockville, for \$72 million at a 7% stabilized yield.

Opportunities for additional accretive acquisitions and dispositions, continue to be a laser-like focus of this team and are expected to continue to improve our overall growth. Activity in the form of additional interesting centers coming to market that are worth looking at has clearly picked up as we've come into the spring season.

Business is good with strong demand for our assets in both our historical locations as well as the newer markets. We ended the quarter with the overall portfolio 96.1% leased and 93.8% occupied and about 40 basis points higher, excluding newly acquired centers. With the continued strength in new leasing that I'll talk about in a minute, these good times that we're seeing are expected to continue. Specifically, the anchor box leasing and a repositioning that has been done and will continue to get done, particularly on the West Coast for us, should provide strong income contributions in 2027 and 2028.

Now, I know there hasn't been a lot of obvious evidence over the past few years that great demographics, particularly in an affluent customer base, make a demonstrable business difference in the performance of a retail property. And there are a lot of reasons for that, including shifting population trends, government subsidies and a favorable supply and demand dynamics. And some of those macro trends will likely continue. But today's economic realities are different, and the divergent day-to-day purchasing decisions of consumers in this K-shaped economy are very real. Periods like this, where everyday costs from gas to groceries are elevated and the consumer is more selective, quality demographics matter more. They matter a lot. Wendy will talk through what we're seeing on the ground specifically.

Now, it's no surprise that leasing drives these and future results. With over 100 leases and 649,000 feet of comparable deals done in the quarter at 13% cash rollover, 23% on a straight-line basis, this was more volume than we've ever leased in any first quarter and the third-best ever in any quarter. That includes 13 anchor deals for nearly 400,000 square feet at 13% rollover, 21% on a straight-line basis. This is really strong leasing and it looks to be continuing.

As we've talked about over the last several quarters, we're also finding opportunities to intensify our properties with developments, usually residential product, that's complementary to our shopping centers. With little or no incremental land costs, the math can work in the right locations. If 2025 has taught us anything about value, it's that high-quality appointments adjacent to great shopping environments in strong suburban locations create a more desirable living environment. That translates to higher residential rents, to higher and stronger growth and to ultimately lower cap rates upon sale.

The 2025-2026 sales of LeVare, Misora at Santana Row and Palace at Pike & Rose unlocked an unmatched cost of capital for us to reinvest, sub-5% overall. We've also previously disclosed the allocation of a total of \$400 million for residential development of The Blayr at Bala Cynwyd, which at 34% leased already, is well ahead of projections for both timing and rate. 301 Washington Street in Hoboken, which is under construction and will begin lease up in about nine months, Lot 12 at Santana Row, which is well under construction and will be seen by many of you, if you're coming to our Investor Day in a couple of weeks, and an incremental 261 units at Willow Grove Shopping Center outside of Philadelphia for which demolition of part of the adjacent shopping center is

happening this week. Together, this densification of our shopping center assets will add nearly 800 units and \$27 million of new operating income to the portfolio once stabilized in the next few years. Our experience with residential development at our retail-centric properties is a skill set developed over 25 years and is certainly a unique differentiator of our business plan.

Now, with the signing of a lease with PNC Bank a couple of weeks ago for the last remaining 11,000 square feet, Santana West is officially 100% leased. In fact, all of Santana Row's office space is 100% leased. This is particularly impressive given that just a few miles away, Downtown San Jose, California, Class A office vacancy stands at 36%. Let that sink in for a minute, and it's not an anomaly. Pike & Rose office stands at 100% leased. CocoWalk office stands at 100% leased. Bethesda Row office stands at 97% leased and Assembly Row office stands at 94% leased. The whole office portfolio, 99% overall leased.

Now, our office income stream at our nationally recognized mixed-use communities is in extremely high demand and is stable, is solid and is growing. We'll showcase our plan through a comprehensive Investor Day at Santana Row on May 21. Looks like we'll have a great turnout and would love to add a few more, really looking forward to seeing most of you there. Enhanced internal and external growth using all the tools at our disposal is the name of the game. Quarters like this first one increase my confidence in our ability to do so.

Let me now turn it over to Wendy and then to Dan to provide additional color. Wen?

Wendy Seher

Executive Vice President, Eastern Region President & Chief Operating Officer, Federal Realty Investment Trust

Thank you, Don. This was a strong quarter across the board, every key operating metric delivered, continuing the momentum from prior quarters and validating the broad-based demand on our high-quality real estate across all of our formats. As Don mentioned, we had a record leasing this quarter with rent rollover at 16% on a trailing 12-month basis, keeping in mind that the rollover statistic represents 96% of our reported deals.

Comparable POI growth was strong for the quarter at 4.7%, particularly impressive given the challenging winter conditions we faced in the northeast. I couldn't be more pleased with the results. Our lease rate held firm at 96.1%, a direct reflection of our proactive leasing approach. Foot traffic was up 3% for the quarter, and more importantly, 4% in April. Executed but not yet occupied deals will contribute an incremental \$36 million of rent over the balance of the year and into 2027.

On the small shop side, we're at 93.8% leased, with room to push rents further given the demand we continue to see across our submarkets. The pipeline remains robust at over 1.7 million square feet of space under lease negotiations, providing embedded growth over the next two years.

Last quarter, I highlighted several of our recent acquisitions, walking you through the early leasing momentum and outsized performance we're seeing relative to our underwriting. What's now coming into focus more clearly is the financial opportunity we're seeing on the operating side. We are operating these properties at a higher level, not only meeting our internal standards, but doing so more efficiently and at a lower cost. As we all know, it's not how much you spend, it's how you spend it. Through a combination of internal scaling, vendor management and scope alignment, we expect to continue creating value through more efficient operations.

Lastly, there's a great deal of conversation right now about the K-shaped economy and its impact on commercial real estate. When I match that narrative up against what we are actually experiencing across the portfolio, there's no doubt that we are benefiting from the upper end of that K. Traffic is up, sales are up, and not with just value-

based retailers as you would expect, but at full price and aspirational concepts like Crate & Barrel, Anthropologie, Madewell, Aritzia, all of which continue to outperform in our centers.

Discretionary spending in restaurants is another topic that's getting a lot of air time, so I wanted to share some numbers with you. Our full-service restaurants averaged \$723 per square foot in sales and our fast casual restaurants averaged \$873 per square foot, both represent healthy performance, more than double the national averages, and both are operating at occupancy cost ratios in the 9% range, leaving meaningful cushion to absorb either consumer fluctuation or a broader economic cycle. Durable real estate matters.

And with that, I'll turn it over to Dan.

Daniel Guglielmono

Chief Financial Officer, Treasurer & Executive Vice President, Federal Realty Investment Trust

Thank you, Wendy, and hello, everyone. Our FFO per share of \$1.88 for the first quarter reflects almost 11% growth versus last year and highlights an exceptionally strong quarter operationally. This result came in \$0.06-plus or 3.6% above the midpoint of our guidance range, a result of which reflects a business plan firing on all cylinders.

Drivers for the outperformance include \$0.02 from higher revenues through better occupancy, parking revenues and ancillary income; \$0.01 from expense savings, including efficiencies from our 2025 acquisition pool, as Wendy just highlighted; \$0.01 from higher-than-forecast term fees, and \$0.02 attributed to timing, pulling forward some items that were expected later in the year.

Comparable POI growth, a GAAP metric, was 4.7% for 1Q. Cash basis comparable growth was 5.1% for the quarter. Excluding term fees, the result was still roughly 4%. Cash basis min rent increased 3.6% for the quarter. All variations of this metric were ahead of our expectations, highlighting the strong start to the year. Look to our 8-K for expanded disclosure in this area.

Now, let's turn to the balance sheet. Subsequent to the first quarter end, we closed on a recast of our revolving credit facility, where we increased the size of the facility to \$1.4 billion, extended the initial term to April 2030 with extension options into 2031, and reduced the spread over SOFR by 5 basis points to 72.5 basis points. We repaid our 1.25% notes due in February and now have only \$50 million of remaining loan maturities through the balance of 2026. We continue to forecast strong free cash flow after dividends and maintenance capital, and expect to exceed \$100 million in 2026 and head higher in 2027 and 2028 as we convert straight-line rent to cash-paying rent.

During the first quarter, we closed on asset sales of \$159 million, combined at a blended mid-4s cap rate. We also have an additional \$66 million of sales in process with expected closings by quarter-end, with cap rates targeted in the mid- to upper 5% range. 2025 and expected year-to-date 2026 asset sales will stand at a total of \$540 million with a blended cash yield in the low to mid-5% range, a very attractive cost of capital.

Through this active and disciplined asset recycling program, which has effectively been executed on a leverage neutral basis, our debt metrics remain solid. First quarter annualized net debt to EBITDA is 5.5 times and should improve over the course of the year. Fixed charge coverage is 3.9 times and should eclipse our target metric of 4 times over the balance of 2026.

And with that, I will now move on to guidance. As a result of a robust first quarter and more encouraging outlook, given the continued resiliency in our portfolio, we are raising guidance for both NAREIT and core FFO to \$7.46 to

\$7.55 per share. At the midpoint, this \$0.03 to \$0.04 increase represents 6.3% growth for core FFO when compared to 2025.

Drivers for the increase in guidance include our comparable POI growth outlook improving to 3.125% to 3.625% from the previous range of 3% to 3.5%. We still expect the trajectory of occupancy in the first three quarters of 2026 to be in the mid- to upper 93% range, before climbing higher to the mid- to upper 94% range by year-end, powered by leases that have already been signed.

Our improved guidance reflects stronger-than-expected contribution from the \$750 million of dominant high-quality properties acquired in 2025, driven by expense savings and greater leasing velocity at these dominant assets. We increased our expected incremental POI from redevelopment from \$14 million to \$15 million as we get tenants open and operating sooner than forecast. And our outlook on term fees also improves to \$8 million to \$9 million as our strong leasing contracts allow us to leverage underperforming tenants. We refinanced our 1.25% unsecured notes with a combination of a new term loan and availability on our upsized credit facility. So assumed roughly 4.5% of the effective interest rate reset on those notes, in line with prior expectations. Please note that this represents roughly 175 basis points of refinancing headwind, without which, our midpoint core FFO guidance would eclipse 8% growth.

Given it's early in the year, we are keeping our credit reserve flat at 60 to 85 basis points of rental income, and additional guidance assumptions all remain unchanged and are outlined on page 27 of the 8-K. This updated guidance also reflects the \$92 million of acquisitions completed to date in 2026 as well as the Misora and Courthouse Center asset sales. We continue to be active on recycling with additional acquisition and disposition opportunities targeted for the second half of the year, and we will adjust our guidance for those likely upwards as we go.

To summarize, our \$0.03 to \$0.04 increase in guidance is driven by better than \$0.01 of operational outperformance, \$0.01 from acquisitions in total, \$0.01 from term fees, primarily in our non-comp pool, and roughly \$0.05 from incremental redevelopment POI. All areas of our business plan are exceeding forecast.

With respect to our expectations for quarterly FFO cadence over the remainder of 2026, the second quarter is \$1.83 to \$1.86, the third quarter is \$1.84 to \$1.87 with the fourth quarter in the low to mid-1.90s per share, primarily driven by contractual occupancy growth.

And with that, operator, please open the line for questions.

QUESTION AND ANSWER SECTION

Operator: Yes, sir. [Operator Instructions] And today's first question comes from Samir Khanal with Bank of America. Please go ahead.

Samir Khanal

Analyst, BofA Securities, Inc.

Q

Good morning, everybody. I guess, Don, maybe high level to start off. You talked about the K-shaped economy. So if this backdrop continues, and given your sort of high-income trade areas, your strategy and tenant mix, I guess, how does that all translate into relative strength or outperformance versus your peers? Thanks.

Donald C. Wood

President, Chief Executive Officer & Board Trustee, Federal Realty Investment Trust

A

Thanks, Samir. There's a lot to unpack in that. I'm thinking of the best way to try to say it. I mean, look, we are a real estate company of high-quality stuff that's about – it's not about eliminating things that change in the economy. We expect things to change in the economy. What it is about is limiting effectively the negative impacts on us, and we do that by the type of real estate that we own.

We used to give out a metric, I think we're going to dig up again, I think based on this question. And it's about purchasing power and what purchasing power is. If you take our household incomes of \$167,000 overall and you multiply that by the number of households within the 3-mile is the easiest thing to look at, you're talking about \$11 billion per shopping center of purchasing power.

Now, when you think about that, it becomes less about the type of product and more about the real estate and who shops in that real estate. And that's really where we're in the right spot. If you've looked over the past, I don't know, a few weeks ago I saw it, a series of articles in The Wall Street Journal, it was all about growing upper middle class. It was all about where that discretionary income comes from and how it's being spent by consumers. That's the center of our business plan and it's always been the center of our business plan. It's why during some periods, it doesn't matter as much. You're asking me to look at a crystal ball, now is when it matters.

So I think it's real, the K-shaped economy. I think it's real that we operate in the top part of the K. And I think it's real that the affluence and the number of people effectively combined that are around our shopping centers provides a level of cushion that is really hard to replicate.

Operator: Thank you. And our next question today comes from Michael Goldsmith at UBS. Please go ahead.

Michael Goldsmith

Analyst, UBS Securities LLC

Q

Good morning. Thanks a lot for taking my question. You continue to make progress on the capital recycling, and not to spoil what I'm sure will be an excellent Investor Day, but what inning do you think you are in here? And is there any way to quantify how this capital recycling had benefited the comp POI this quarter and maybe where that contribution could go over time?

Donald C. Wood*President, Chief Executive Officer & Board Trustee, Federal Realty Investment Trust*

A

Thanks, Michael. I want to make a couple of points and then – and Dan, I don't know if I can quantify – I know I can't quantify what Mike's asking.

Daniel Guglielmono*Chief Financial Officer, Treasurer & Executive Vice President, Federal Realty Investment Trust*

A

Yeah.

Donald C. Wood*President, Chief Executive Officer & Board Trustee, Federal Realty Investment Trust*

A

But there's a couple of things to think about this. It's not about what inning it's in, because what this is all about is continuously forever being able to recycle assets that we have created a ton of value on into things and raw material that give us an opportunity for us to do that again. In certain times, in the marketplace, that'll be a boon and there'll be lots. And other times, there'll be less. But it's a continuous laser-like focus. And that's to me the most important thing. You should always expect us to buy and build, make a lot of money, recycle into stuff that we could do it all over again, year in, year out. And we'll talk about that with more specificity at the Investor Day, but that's the concept in what you buy when you buy a share of it.

Daniel Guglielmono*Chief Financial Officer, Treasurer & Executive Vice President, Federal Realty Investment Trust*

A

Yeah. And just to add to that, I mean, just to kind of give a little bit of color on the growth in FFO, 6.3%, more than half of it is driven by growth in the core portfolio, call it, 50% to 60%. And then acquisitions and redevelopment are the other two big drivers, are in the 20% to 25% of growth. I would expect going forward, growth in our core portfolio will be a little bit higher. And so the pressure on acquisitions and redevelopment will actually come down a little bit. But call it, 20% to 25% of the overall FFO growth this year was driven by acquisitions.

Operator: Thank you. And our next question today comes from Juan Sanabria with BMO Capital Markets. Please go ahead.

Juan C. Sanabria*Analyst, BMO Capital Markets*

Q

Hi. Good morning. Just hoping you could talk a little about the same-store NOI trajectory and cadence we should expect in occupancy as part of that FFO build in the quarterly be run rate you gave, Dan, just given some of the noise, both in the quarter and with weather and closures and bankruptcies, etcetera?

Daniel Guglielmono*Chief Financial Officer, Treasurer & Executive Vice President, Federal Realty Investment Trust*

A

Yeah. No, good question. With regards to – we mentioned the occupancy which will stay a little bit at this lower level in the mid- to high 93s, that will impact kind of the cadence of comparable growth. And then we'll kind of shoot up in the fourth quarter because we have a lot of rent commencing in kind of late third quarter, early fourth quarter, that will really kind of drive. And those are with leases that are already signed. So that will dictate. We'll see a little bit of a dip in the second and third quarters from a comparable growth perspective into the 2s, closer to 2%, and then a resurgence back up in the fourth quarter up into kind of the 3.5% to 4% range on a comparable GAAP basis. It'll be probably about 40 to 50 basis points higher on a cash basis. Cash will be higher this year

than kind of our reported GAAP. So that's a little bit of the color there with regards to – and we should see kind of momentum heading into 2027 on that.

Operator: Thank you. And our next question today comes from Cooper Clark at Wells Fargo. Please go ahead.

Cooper Clark

Analyst, Wells Fargo Securities LLC

Q

Great. Thanks for taking the question. Could you provide us with an update on the multifamily dispo pipeline today and how much product you may consider bringing to the market over the course of the year, if you're continuing to find attractive opportunities on the acquisition front? And if we should continue to expect strong pricing in the high 4% to low 5% cap rate range?

Donald C. Wood

President, Chief Executive Officer & Board Trustee, Federal Realty Investment Trust

A

Sure, Cooper. Let me cover that in a couple of different ways. I don't have any particular residential property on the market as we stand here today. However, what we are looking at doing and thinking about doing is monetizing not only that, but other parts in the form of a joint venture, as we talked about in the past as one potential way. But the notion of being able to do that will be tied certainly with what it is that we're able to find on the acquisition side. There's an important matching that is critical there because, as you know, we've created a lot of value. And so we have big tax gains that we'd like to be able to shelter to the extent we could with Section 1031.

So I can't give you a number that way. It will be largely driven by the acquisition pipeline, which Jan can talk about here in a moment, but I do want you to know, the reason we sell is because we have created a ton of value and see places where we can reinvest at greater – with creating greater value going forward. So that's the theory. Jan, what are you seeing on the ground?

Jan Sweetnam

Executive Vice President & Chief Investment Officer, Federal Realty Investment Trust

A

Well, here's what a couple things. So it's not new news that it's more competitive now than it was a year ago. But the good news is we are seeing a lot more opportunities today than we were just three months ago. So when we look at what we're underwriting, both on-market and off-market, we are as busy as heck right now. And notwithstanding all the competition out there, properties where we compete best really are just they're more complicated, probably have more leasing opportunities to them. And more good news really is that larger, more leasing and more complicated assets are still thinning out the crowd. And our ability to compete for those really fits right into our skill set, right, identifying where tenant demand exceeds supply, remerchandising, and if applicable placemaking, where we can lift sales and rents. We've seen it in recent acquisitions. We're seeing it in opportunities looking forward.

So it's hard to say what's going to happen, what the volume's going to be, but we like our ability to compete. And we've been busier than we've been in a long time. So still pretty optimistic on the second half of the year.

Operator: Thank you. And our next question today comes from Michael Griffin at Evercore ISI. Please go ahead.

Michael A. Griffin

Analyst, Evercore ISI

Q

Great. Thanks. Maybe following up in that vein of acquisitions. Don or Jan, I'm curious if you can give any color on the two deals announced year-to-date, the one at Kingstowne and Congressional. It seems like the tenant roster there could see some remerchandising as a benefit there. So maybe kind of talk about the opportunity set with those two?

And then maybe, Jan, just expanding a bit on your acquisition pipeline comments just a minute ago. Would you say more of the deals you're looking at in the hopper are towards a Congressional kind of standard, larger open-air retail format versus maybe a Town Center or a Village Pointe that you closed last year? Just kind of talk about the interplay of those two as well. Thanks so much.

Donald C. Wood

President, Chief Executive Officer & Board Trustee, Federal Realty Investment Trust

A

Sure, Griff. Thanks so much for the question. Couple of things to say. First of all, the last part of your question, it's a wide band. It's a wide swath that we – type of things that we look at. And with Congressional North Shopping Center, I mean, standalone, that is a power center with a vacant Bed Bath & Beyond that historically, we wouldn't be all that interested in.

Now, let's talk about what's around it. And basically, it's on Rockville Pike, one of the most critical retail nodes in D.C., certainly the most critical on the Maryland side. And we control Congressional Plaza, right, the one we've owned forever, Federal Plaza, Pike & Rose, Mid-Pike Plaza, Wildwood Shopping Center, all within a few miles. This Congressional North was the last center of any kind of size where a box tenant had the opportunity to go.

So the notion of being able to buy that and better control, frankly, was a no-brainer. And the reason those types of things do have vacancy is because often private ownership, particularly smaller private ownership, families stuff, don't want to put money in necessary to create the return that you can get on the asset. So that's what we were doing there.

Similarly, at Kingstowne, we're simply closing the loop and controlling the entire very big shopping center by taking a hole in the donut and moving that over to our side for a very nominal capital outlay, frankly. So putting that stuff together, we'll always try to do those things. Those are strategic to the – to where it is that we – where we go.

In terms of our love, frankly, for Kansas City and for Omaha and for Annapolis, you bet that we're trying to do more of that stuff. And to Jan's point a few minutes ago, we're very active in looking through those and other markets to be able to make sure nothing slips through. Those markets could also be supplemented with smaller centers, grocery anchored, et cetera, that will complement the big assets that we've already purchased.

So those are some of the things that we're working on. Gosh, Jan, I don't know if there's anything to add to that.

Jan Sweetnam

Executive Vice President & Chief Investment Officer, Federal Realty Investment Trust

A

Just I would add that there's a good blend between – I kind of consider Congressional and Kingstowne, they're both opportunistic acquisitions and strategic at the same time. And when we look at the yields of those, it doesn't really count in the leverage that we get in the existing properties, whether it's next door on the Pike or in Kingstowne itself.

So I think we've got a really good mix of opportunistic transactions that we're looking at in our existing markets, maybe with some smaller assets, both in markets we've been in a long time as well as our new markets. And

there are a lot of larger assets that we think dominate trade areas that we're not in yet, that we're looking at right now. So it's a pretty good mix.

Operator: Thank you. And our next question today comes from Greg McGinniss at Scotiabank. Please go ahead.

Greg McGinniss

Analyst, Scotiabank

Q

Hey. Good morning. Don, as you mentioned, Santana is now 100% leased on the office side, but you're also entitled to do more there. And more broadly across the portfolio, office lease rate is healthy. Are you willing to start more ground-up office development today?

Donald C. Wood

President, Chief Executive Officer & Board Trustee, Federal Realty Investment Trust

A

Hey, Greg. Yes, I still have scar tissue, in case that's really your question. The notion of starting another office building at Santana would not happen on a spec basis. It would only happen to the extent we have a build-to-suit, which, by the way, with what's going on out there and the – I mean, when you juxtapose Santana Row with Downtown San Jose, it is – it's incredible, right? And I do want you there, I really want you to see this because these things are three miles away and one is clearly the winner in this situation. And so, there may be more opportunities, but I'm not going to spec.

Operator: Thank you. And our next question today comes from Craig Mailman at Citi. Please go ahead.

Craig Mailman

Analyst, Citigroup Global Markets, Inc.

Q

Hey. Good morning, guys. Dan, maybe for you. Just helpful that you went through kind of some of the benefits to earnings in the first quarter and giving us the quarterly cadence for the next couple quarters here. But could you just bridge the \$1.88 to get to sort of the \$1.845 next quarter and dollar or \$1.855 in 3Q? Like, how much of the \$0.02 to the benefit of earlier timing is non-recurring? I know the lease term fees are lumpy. But can you just kind of walk through what was more non-recurring this quarter versus recurring, like, to get to decel before the pick up at the back half of the year, especially as you guys are talking more about potential acquisitions ramping up?

Daniel Guglielmono

Chief Financial Officer, Treasurer & Executive Vice President, Federal Realty Investment Trust

A

Yeah. Yeah. Well, again, we have probably some seasonality that is a positive going from the first quarter to the second quarter with less weather-related issues and so forth. There is some – probably the biggest drag heading into the second quarter and third quarter are – obviously, we refinanced the refinancing headwind, which is kind of at least \$0.01 or so of drag. We are leasing up the Blayr, which in the second quarter. Early lease up of a residential product is something that will be a drag initially before it turns positive later in the year as we hit the breakeven occupancy levels.

I think just some other timing-related things that just happened to be forecasted for later in the year, and we're able to move them forward into the first quarter, lock them in. So there's greater certainty there, but they won't happen a little bit later in the year. So those are kind of the main drivers of a little bit of the cadence there.

And then the big kind of spike in performance in terms of FFO is driven by just leases that have already been signed, that have rent commencement dates, that are surprising – a surprising amount of October 1 rent commencement dates that we feel really, really good about will occur. And that's what drives us up into the 1.90s. So that's a little bit of the color on the cadence there.

Operator: Thank you. And our next question today comes from Haendel St. Juste with Mizuho. Please go ahead.

Haendel St. Juste

Analyst, Mizuho Securities USA LLC

Q

Hey. Good morning. Don, I can hear the clear excitement in your voice about the earnings growth set up, the momentum that seems to be improving with the leasing tail with the capital rotation. Looks like better maybe mid-upper single-digit growth the next couple of years by estimate. So maybe what can you share with us about the earnings trajectory that you think you're setting up here? How sustainable it is? And then remind us what the long-term plan for the green bond refinancing here is? I think it's on the revolver at the moment. Thanks.

Donald C. Wood

President, Chief Executive Officer & Board Trustee, Federal Realty Investment Trust

A

You bet, Haendel. And I hope – I think you're on the list. I know you're playing golf when you come out on May 20 or so with Jay. But that is the purpose. I don't want to steal the thunder for the Investor Day. Look, we're going to talk about our earnings trajectory. We're going to talk about those opportunities on those two days. So I'm going to leave it at that, if you don't mind.

Daniel Guglielmo

Chief Financial Officer, Treasurer & Executive Vice President, Federal Realty Investment Trust

A

Yeah. And with regards to the – the second part of your question with regards to the 1.25% bond, we put, longer term, \$250 million on a five-year – five-plus year term loan that gets us into 2031. The balance is on the line. And we will be opportunistic in either hitting the bond market or the convert market. As we see the opportunity, we have the capacity to look to do this at the most opportune moment. And that's when we'll do it. I'd love to do a bond and do a long-term bond. And so stay tuned on that front.

Operator: Thank you. And our next question today comes from Alexander Goldfarb at Piper Sandler. Please go ahead.

Alexander Goldfarb

Analyst, Piper Sandler

Q

Hey. Good morning down there. Don, just a question on the new governor in Virginia. Certainly, you guys are used to operating in some other very deep blue states, but Virginia has taken a noticeable shift. That said, you have more defense spending, cyber investment, et cetera. But as you look at what's going on in the Mid-Atlantic and your two Maryland and Virginia markets, do you – are you concerned at all that Virginia could sort of mirror Maryland and become sort of anti-development or enact policies that sort of slow down what has otherwise been a very good path? Or your view is whatever the governor is talking about and the change in politics, not much of it you see interfering with your shopping centers and the customer base and the reason why businesses want to locate in Northern Virginia?

Donald C. Wood*President, Chief Executive Officer & Board Trustee, Federal Realty Investment Trust*

A

Yeah, Alex, it's the latter. I mean you're – take a look at Federal and understand the markets that we operate in, understand not only the incomes that I've talked about here, but you know what we don't talk about? It's the wealth, the wealth of those families, and how that continues the spending throughout ups and downs and all kinds of changes in the political atmosphere. If I get worried about the political atmosphere, I'm effectively not running my company as well. And the diversity of these marketplaces are really important.

Now, on the Virginia side, which happens to be where I live, have you seen the defense budget that's being proposed? And I don't know if \$1.5 trillion is going to happen or not, but, boy, I know who the beneficiary is going to be to the extent it does, and it's going to be a lot of the consumers around our properties.

Do I think that'll be a measurable difference? Probably not. But overall, when you buy into this company, you're buying a diversified group of geographies and types of assets, formats of assets, tenant-based, et cetera, with an awful lot of room effectively in its occupancy cost ratios to be able to continue and continue the path that we're on. That's my focus.

Operator: Thank you. And our next question today comes from Omotayo Okusanya with Deutsche Bank. Please go ahead.

Omotayo Okusanya*Analyst, Deutsche Bank Securities, Inc.*

Q

Yes. Good morning, everyone. Congrats on the results. Clearly, momentum is on your side. Dan just quick comments around the occupancy rates, again, in 1Q for the comparable occupancy, 94.1%, and I think we were all kind of expecting something in the mid-80s. Clearly, again, better leasing. But also curious if there was kind of like leases you were expecting to fall out that didn't that maybe we kind of see in 2Q and 3Q, which kind of explains some of the momentum for the rest of the year.

Donald C. Wood*President, Chief Executive Officer & Board Trustee, Federal Realty Investment Trust*

A

Yeah. Look, I think that we're kind of – we did better from an occupancy perspective that we had talked about. I mean we had expected the overall occupancy rate to dip down into the low to mid-93%. I think first quarter, we held in the occupancy better than we expected and we're at 93.8%. It should stay fairly constant at that level with some timing and puts and takes of tenants coming in and so forth and leaving, and then seeing that spike in the fourth quarter up into the mid- to upper 94% range. That's consistent with what we talked about, although we'll be a little bit higher in the second and third quarter than, I think, we had originally kind of had forecasted because we did so well maintaining occupancy in the first quarter. Hopefully, that answers your question.

Operator: Thank you. And our next question today comes from Floris van Dijkum with Ladenburg. Please go ahead.

Floris van Dijkum*Analyst, Ladenburg Thalmann & Co., Inc.*

Q

Thanks. Morning, guys. We talked a little bit about San Jose. We've talked a lot about some of your acquisitions, Congressional, which looks very good. We haven't really talked about Boston and Assembly Row much. Could

you guys give us a little bit of an update on what's happening there and what your plans are for that asset going forward in terms of the – particularly the row aspect of that property?

Donald C. Wood

President, Chief Executive Officer & Board Trustee, Federal Realty Investment Trust

A

You bet, Floris. And actually, it's a very good question from the standpoint of understanding that big asset. So, first of all, clearly, Assembly Row has become the center of that, not only immediate area, but larger area from the standpoint of shopping and entertainment and food and all of that. Clearly, the residential product that we've built there adjacent to the Avalon stuff, we've got around 1,000 units there that does extremely well and continues to do extremely well.

The notion of building out the rest of Assembly is it clearly took a back seat when life science imploded. I'm very proud of the fact that we didn't move forward on that, but it does not change the fact that there is great opportunity for the existing remaining three lots that are there. We don't – fully entitled, can't get them to pencil yet at this point. But while we're doing that, we're also entitling the entire Assembly Square Marketplace, which is the power center that is adjacent to it and a very, very powerful power center at that, but we're in the process of getting entitled, 3 million, is it, Dan, a 4 million square feet.

In other words, the notion of continuing that, the Assembly Row property, through the power center at some point well into the future, but we're going to have that entitled this year we're expecting. And if that's entitled this year, even if the numbers don't work effectively at this point, think about the future value of that entire 50-acre piece of land.

And so when you look at Assembly, you ought to be thinking about value banking there that I don't expect to be paid for in stock price today. But certainly, anybody that looks at that property will see the long-term value to be created. In the meantime, income keeps rising, rents keep going up, residential keeps staying filled, really, really powerful property of Federal.

Operator: Thank you. And our next question today comes from Mike Mueller at JPMorgan. Please go ahead.

Michael W. Mueller

Analyst, JPMorgan Securities LLC

Q

Yeah. Hi. I know it was a small sale at just \$10 million, but can you talk about selling Courthouse Center in Rockville, considering it's part of critical mass and scale that you kind of built up over decades there? And would you have sold a more consequential center there?

Donald C. Wood

President, Chief Executive Officer & Board Trustee, Federal Realty Investment Trust

A

Oh, yeah, Mike, it's not part of the critical mass at all. Basically, you may remember, a couple years ago, we sold Rockville Town Square. This is an adjacent kind of small unanchored strip next to it that really had nothing to do with the rest of our properties at all. If we could have, we would have simply sold it at the same time we sold Rockville Town Square, but there was the local buyer here that stepped up to pay us a number that there's no way we're saying no to.

So that's all that is. That really is not – I know on a map, it looks close to the rest of our properties on Rockville Pike, but it's a different world away. So no, it's not at all important.

Operator: Thank you. [Operator Instructions] Our next question is a follow up from Samir Khanal at Bank of America. Please go ahead.

Samir Khanal

Analyst, BofA Securities, Inc.

Q

Hey, Dan, I'm sorry about if I missed this, but you mentioned there were some items that were pulled forward in the quarter. Was that term fees or something else? Maybe just some clarification. Thanks.

Daniel Guglielmon

Chief Financial Officer, Treasurer & Executive Vice President, Federal Realty Investment Trust

A

Yeah. Look, there was some FAS 141 benefits that we were expecting kind of later in the year in second and third quarter that was in our budget that we pulled forward into the first quarter. That was the primary driver of that. So, yeah, it's something that – yeah, it's good we got it locked in, in the first quarter. But it's a timing – it's just a timing.

Operator: Thank you. And our next question is a follow up from Omotayo Okusanya with Deutsche Bank. Please go ahead.

Omotayo Okusanya

Analyst, Deutsche Bank Securities, Inc.

Q

Hi. Yeah. Just a very quick one on cost reimbursement rates. It felt a little elevated in 1Q 2026. Curious if anything kind of pulled forward? Is there a timing thing that kind of happened? And how do we think about that for the rest of the year?

Daniel Guglielmon

Chief Financial Officer, Treasurer & Executive Vice President, Federal Realty Investment Trust

A

Yeah. Look, there was a huge amount of weather impacts in the Northeast, particularly anywhere from our D.C. Metro all the way up to Boston. So, snow removal and utility expense was highly elevated for the quarter. And obviously, our cost reimbursements are elevated as a result from that perspective. That's all that was in terms of – that was well above kind of our initial expectations and it ended up working out kind of as we expected in terms of – but that's the driver there.

Operator: Thank you. And our next question today is a follow-up from Alexander Goldfarb at Piper Sandler. Please go ahead.

Alexander Goldfarb

Analyst, Piper Sandler

Q

Thank you. Dan, I think in your opening comments, you made a reference that you expect some positive revision to guidance later this year, but I didn't – I want to make sure, one, I heard that correctly, and two, what were the factors. I think you said there were some things that could happen that would cause that. And I just want to understand more about that.

Daniel Guglielmon

Chief Financial Officer, Treasurer & Executive Vice President, Federal Realty Investment Trust

A

I'm looking at my prepared – I don't recall in my prepared remarks making that comment. I am optimistic with regards to the balance of the year and I am optimistic with how we're being set up for 2027. So I feel good about

kind of our positioning. We're only here in the first quarter. But, yeah, no, I don't think I referred to a positive – forecasting a positive revision going forward.

Operator: Thank you. That concludes our question-and-answer session for today. I'd like to turn the conference back over to Jill Sawyer for any closing remarks.

Jill Sawyer

Senior Vice President & Head-Investor Relations, Federal Realty Investment Trust

Thanks for joining us today. We look forward to seeing many of you at our upcoming Investor Day in a few weeks. Bye.

Operator: Thank you. That concludes today's conference call. We thank you all for attending today's presentation. You may now disconnect your lines and have a wonderful day.

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