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Monthly Insights: November Outlook

Real Estate

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ETFInsight Elev8 Model
Model and constituent update: October 30, 2026

Real Estate: A Modest Overweight as Participation Improves

November Elev8 allocations • active weight descending

Rank / ETF	Score	BMK %	Elev8 %	Active pp
1 VDE	6	3.80	10.00	+6.19
2 VHT	4	10.33	16.16	+5.83
T3 VGT	3	37.15	40.14	+2.99
T3 VFH	3	12.29	14.41	+2.12
5 VDC	-1	4.88	6.22	+1.34
T6 VPU	-2	2.05	2.99	+0.94
T6 VNQ	-2	1.77	2.26	+0.49
T6 VIS	-2	8.07	7.83	-0.24
T6 VAW	-2	1.91	0.00	-1.91
10 VCR	-3	8.87	0.00	-8.87
11 VOX	-6	8.88	0.00	-8.88

VNQ: 2.26% portfolio weight versus 1.77% benchmark; active weight +0.49 pp. Score -2, rank T6. The table places this sector's exposure in the full portfolio context.

The November update adds exposure. VNQ enters at 2.26% after holding no position in October. Its active weight moves from −1.71 to +0.49 percentage points, while its −2 score ties sixth.

The position recognizes an improving stock recovery. Twenty-two of 30 constituents outperform over one month and 15 hold above their 50-day averages. Towers and selected storage companies provide more evidence than the earlier narrow rebound.

Property cash growth remains the central case. Logistics rent resets and senior-housing occupancy support operating earnings. Those drivers can diversify exposure to AI spending, though data centers and financing-sensitive property companies require separate assessment.

The small overweight respects the rate constraint. The Fed held rates at 3.75%–4.00%. Refinancing costs and project funding still limit the amount of property growth reaching shareholders. Broader cash growth and stronger trends would support further confidence.

Real Estate Technicals: Recovery Approaches Longer-Term Resistance



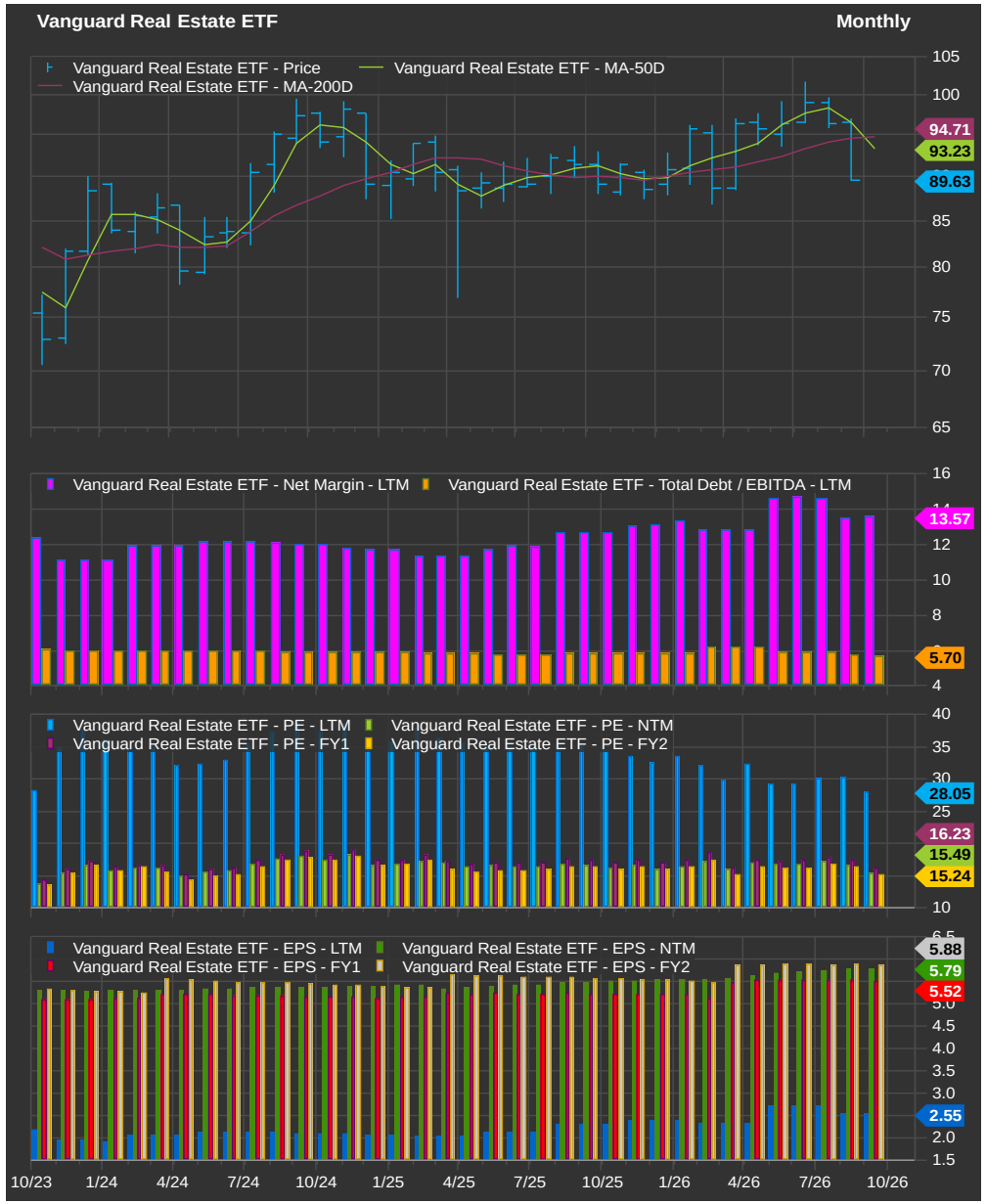
Initial support is nearby. In the chart through October 29, VNQ at 93.87 holds just above its 50-day average near 93.23. Maintaining that level would preserve the recent recovery from the September low.

The longer average remains a hurdle. Resistance near 94.71 at the 200-day average is immediately ahead. A sustained move above it would improve the trend; failure would keep the approximate 88–90 recent support area relevant.

Momentum has turned upward. RSI near 58 and MACD above its signal line indicate improving demand. The move is still a recovery within the earlier decline, rather than a confirmed return to the summer highs.

Operating strength has not guaranteed stock leadership. Prologis's October 15 Q3 report showed cash same-store NOI growth of 5.9%. The daily sector curve nevertheless shows 2.90% underperformance over the previous twelve months, making a successful resistance test important.

Real Estate Fundamentals: Cash Earnings Matter More than P/E



The aggregate requires careful interpretation. The chart shows a 13.57% trailing net margin and debt / EBITDA of 5.70x. Property depreciation and business mix make GAAP earnings and P/E less comparable with other sectors.

Forward estimates imply a large accounting recovery. Trailing P/E is 28.05x versus 15.49x NTM. NTM EPS of 5.79 exceeds trailing EPS of 2.55, while FY2 EPS of 5.88 is closer to FY1's 5.52. These different horizons should not be treated as equivalent growth forecasts.

FFO offers a more relevant company check. Prologis reported Q3 core FFO of $1.60 per share versus $1.49 a year earlier. Excluding net promote items, core FFO was $1.61 versus $1.50, providing a cleaner recurring comparison.

Financing can dilute property growth. Prologis's new Q3 borrowing carried a 4.0% weighted average rate, versus 3.3% on its total debt. Strong leasing does not eliminate the effect of higher incremental funding costs on equity cash returns.

Real Estate Valuation: Earnings Quality and Price Confirmation

Selected constituents • relative P/E ascending

Stock	Rel. P/E	1M excess	50DMA dist.
AMT	**1.42x**	+11.6%	+5.8%
SPG	**1.66x**	+4.9%	+4.2%
PSA	**1.70x**	+10.3%	+6.3%
O	**1.85x**	+3.5%	-0.7%
PLD	**2.00x**	-4.2%	-3.8%
EQIX	**2.85x**	+1.4%	+1.4%
DLR	**3.70x**	+2.9%	+0.7%
WELL	**3.89x**	-0.6%	-0.1%

Relative P/E, low to high. Compare each discount or premium with its one-month excess return and position against the 50-day average.

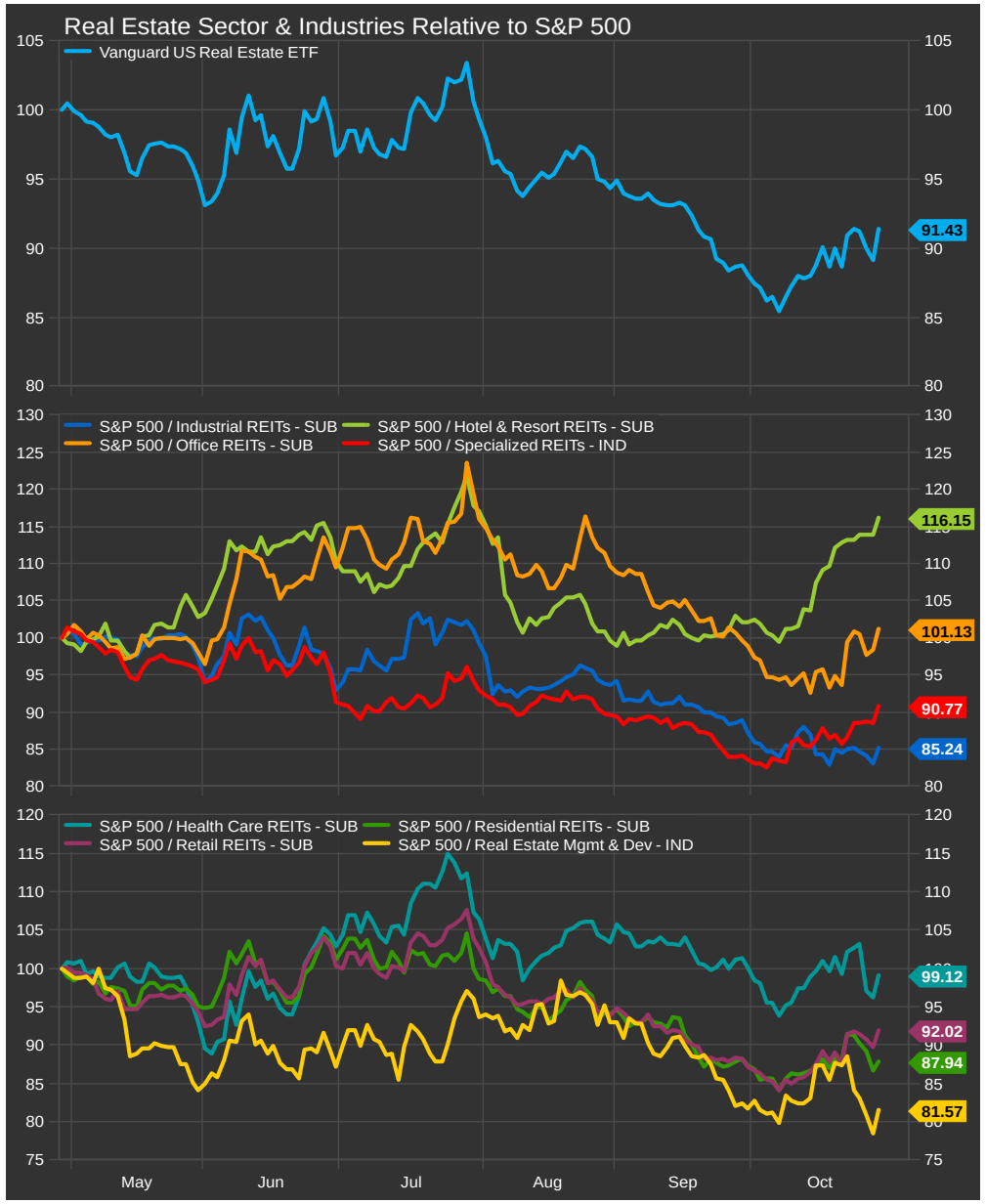
The relative-P/E sort is a starting point. REIT depreciation, asset sales and differing property types can distort the comparison. FFO, recurring capital needs and debt structure are necessary context for any apparent discount.

Towers have a cash-earnings reference. American Tower's October 27 Q3 release reported AFFO per share of $2.87, up 3.2%. That is a more useful operating check than a GAAP multiple alone, especially when investment gains or losses affect net income.

Senior housing earns a premium only through delivery. Welltower's higher valuation must be supported by occupancy, revenue per occupied room and cash margins. Strong sector demand does not remove acquisition, labor or financing risks.

Valuation and price confirmation differ. PLD trades at 2.00x the index's P/E and 3.8% below its 50-day average. WELL trades at 3.89x and 0.1% below its 50-day average. The comparison helps distinguish a lower price from a better-supported earnings opportunity.

Real Estate Relative Trends: Hotels Stand Apart



The six-month sector deficit remains material. VNQ has underperformed the S&P 500 by 8.57% from May through October. Recovery in selected properties has not produced uniform equity leadership.

Hotels lead, offices stabilize selectively. Hotel REITs have outperformed by 16.15% and office REITs by 1.13%. Residential REITs have underperformed by 12.06%, industrial REITs by 14.76% and real-estate management and development by 18.43%.

Strong operations can still lag. Health Care REITs have underperformed by 0.88%, despite Welltower's Q3 same-store NOI growth of 15.8% reported October 26. That tension highlights the role of starting valuation and future expectations.

Specialized properties are not a uniform refuge. Specialized REITs have underperformed by 9.23%, while retail REITs have lagged by 7.98%. American Tower's Q3 data-center cash revenue rose 16.3%, but that growth is only one part of a diversified property exposure.

Real Estate Breadth: October 30 Constituent Update

Outperforming share descending • one-month returns

Industry	Stocks	Beat BMK	>50DMA	Median ex.
Hotel & Resort REITs	1	**100.0%**	100.0%	+14.8%
Specialized REITs	10	**100.0%**	90.0%	+7.9%
Retail REITs	5	**100.0%**	80.0%	+3.5%
Office REITs	1	**100.0%**	0.0%	+2.6%
Residential REITs	6	**66.7%**	16.7%	+0.8%
Real Estate Management & Dev.	2	**50.0%**	0.0%	+0.6%
Industrial REITs	1	**0.0%**	0.0%	-4.2%
Health Care REITs	4	**0.0%**	0.0%	-5.0%

Outperforming share, high to low. Median sector excess return is +2.73% over one month. The recovery has widened.

Current participation. 22 of 30 constituents with valid one-month returns beat the benchmark. 15 of 30 trade above their 50-day averages.

The recovery has widened. Towers and storage provide much of the recent leadership. Half the sector now trades above its 50-day average, giving the small new overweight more support.

Portfolio implication. Financing remains the constraint. More durable cash growth and wider trend recovery would justify a stronger interpretation than a short bounce after underperformance.

Real Estate Themes: Occupancy, Rent Capture and Tower Demand

Company evidence and the conditions for sustained returns

Logistics still captures embedded rental growth. Prologis's October 15 report showed ending occupancy of 95.6% and cash rent change of 23.4%. These operating measures support future revenue, while the timing of lease resets and financing costs determine the earnings benefit.

Senior housing benefits from occupancy recovery. Welltower's October 26 Q3 release showed senior-housing operating same-store NOI up 21%, with occupancy up 320 basis points and revenue per occupied room up 5.3%. Its normalized FFO per share rose 24.6% to $1.67.

Tower growth is steadier than the data-center headline. American Tower's Q3 organic tenant-billings growth was 1.1%, while adjusted EBITDA rose 0.9%. The difference from faster data-center growth reinforces the need to assess the whole earnings mix.

The small overweight favors cash already being earned. Existing rent resets, occupancy improvement and recurring tenant income provide firmer evidence than projects awaiting financing or completion. Better participation supports the addition, but higher refinancing costs still limit how far property growth reaches shareholders.

Top 10 Stock Performers: Real Estate

Rolling one-month excess return • highest to lowest

Company	Industry	Pattern	1M ex.	Rel. P/E	Mom.	Beta
Crown Castle (CCI)	Specialized REITs	Bullish Reversal	**+31.7%**	1.75x	13.1	0.98
Host Hotels & Resorts (HST)	Hotel & Resort REITs	Bullish Reversal	**+14.8%**	1.22x	6.1	1.03
SBA Communications Corp. A (SBAC)	Specialized REITs	Consolidation	**+12.8%**	1.21x	-3.5	1.16
Extra Space Storage (EXR)	Specialized REITs	Consolidation	**+11.6%**	1.65x	0.2	1.51
American Tower (AMT)	Specialized REITs	Consolidation	**+11.6%**	1.42x	2.5	0.72
Public Storage (PSA)	Specialized REITs	Consolidation	**+10.3%**	1.70x	-1.0	1.14
Kimco Realty (KIM)	Retail REITs	Consolidation	**+8.2%**	1.47x	-3.6	0.62
Iron Mountain (IRM)	Specialized REITs	Consolidation	**+5.5%**	2.31x	-2.7	1.44
VICI Properties (VICI)	Specialized REITs	Downtrend	**+5.0%**	0.44x	-9.3	0.64
Simon Property Group (SPG)	Retail REITs	Uptrend	**+4.9%**	1.66x	-4.9	1.10

S&P 500 Real Estate constituents • FactSet / MTIR • October 30, 2026

Selection evidence. CCI leads, with towers and self-storage prominent elsewhere in the table. That recovery adds support for the small overweight, although it is not representative of every property category.

Model context. 3 of these ten stocks contribute positively and 7 negatively to the model score. Recent returns and model classifications need not agree.

Bottom 10 Stock Performers: Real Estate

Rolling one-month excess return • lowest to highest

Company	Industry	Pattern	1M ex.	Rel. P/E	Mom.	Beta
Alexandria Real Estate Equities (ARE)	Health Care REITs	Downtrend	**-15.7%**	N/A	-20.7	1.17
Healthpeak Properties (DOC)	Health Care REITs	Consolidation	**-6.1%**	3.85x	-9.3	0.74
Prologis (PLD)	Industrial REITs	Retracement	**-4.2%**	2.00x	-12.8	1.47
Ventas (VTR)	Health Care REITs	Support	**-3.8%**	5.17x	-13.3	0.18
Essex Property Trust (ESS)	Residential REITs	Downtrend	**-3.0%**	2.28x	-10.0	0.60
CBRE Group A (CBRE)	Real Estate Management & Dev.	Support	**-2.4%**	0.79x	-13.8	1.15
Welltower (WELL)	Health Care REITs	Uptrend	**-0.6%**	3.89x	-4.2	0.34
Invitation Homes (INVH)	Residential REITs	Downtrend	**-0.4%**	1.80x	-10.7	0.88
Weyerhaeuser (WY)	Specialized REITs	Downtrend	**+0.3%**	2.10x	-17.2	0.89
Mid-America Apartment Communities (MAA)	Residential REITs	Downtrend	**+0.5%**	1.97x	-12.2	0.56

S&P 500 Real Estate constituents • FactSet / MTIR • October 30, 2026

Selection evidence. ARE and DOC lag most, with PLD and VTR also weak. Eight names underperform. Strong operating growth in selected properties has not translated into uniform equity leadership.

Model context. 1 of these ten stocks contribute positively and 9 negatively to the model score. Recent returns and model classifications need not agree.

Real Estate: Rent Inflation and Financing Pull in Different Directions

Housing supply signals remain soft. September single-family permits fell 4.0% from August in the October 20 Census release. This affects future supply and related activity, but does not establish demand for every commercial property type.

Rent inflation persists despite uneven property equities. September CPI shelter costs rose 0.4% from August; rent rose 0.2% and lodging 2.0%, according to BLS on October 14. Consumer price measures are context rather than direct REIT same-store rent series.

Household income bears watching. September real disposable income fell 0.3% in the October 29 BEA release. Tighter budgets can affect rent affordability and travel demand even when aggregate property revenue is rising.

November confirmation for the larger position. CPI on November 10 and construction on November 18 will test pricing and supply. October PCE on November 25 will help assess tenants' purchasing power. Rising cash income must cover incremental financing costs for the modest overweight to remain attractive.

Elev8 Components: Real Estate

Total score descending • ties ordered by active weight

ETF	Pat.	Mean	Wtd.	OB/OS	Sector	Ind.	Cmdty Up	USD Up	Total
VDE	1	1	1	0	2	1	1	-1	**6**
VHT	1	1	1	0	2	1	-1	-1	**4**
VGT	1	1	1	0	1	0	-1	0	**3**
VFH	0	1	1	0	0	0	0	1	**3**
VDC	0	-1	-1	0	0	0	1	0	**-1**
VPU	0	-1	-1	0	0	0	1	-1	**-2**
VNQ	0	-1	-1	0	0	0	1	-1	**-2**
VIS	0	-1	1	0	-1	-1	1	-1	**-2**
VAW	0	-1	-1	0	0	0	1	-1	**-2**
VCR	0	-1	-1	0	0	-1	-1	1	**-3**
VOX	-1	-1	-1	1	-1	-1	-1	-1	**-6**

VNQ total: -2 | Elev8 weight: 2.26% | Active weight: +0.49 pp. The score grid highlights the signals supporting or challenging this sector's November position.

Current signal balance. Positive inputs: Commodity-up +1. Negative inputs: Mean -1, Weighted -1, USD-up -1.

Allocation significance. The small overweight precedes a positive total score. Broader rent and occupancy gains need to survive refinancing costs and produce sustained improvement in property equities.

Comparison with October. November scores use eight components, with commodity and dollar trend inputs replacing October's equity and rates inputs. Total-score changes from October are therefore not strictly comparable. The displayed weights are the November model allocations.

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Constituents: S&P 500 stock-level data • FactSet / Myrtle Tree Investment Research • Oct 30, 2026.
Charts: FactSet Active Graphs / Myrtle Tree Investment Research • Real Estate October chart observations.