UMH Properties (UMH)

Updated August 18th, 2025 by Samuel Smith

Key Metrics

Current Price:	$15.8	**5 Year CAGR Estimate:**	11.5%	**Market Cap:**	$1.3 B
Fair Value Price:	$21.2	**5 Year Growth Estimate:**	1.2%	**Ex-Dividend Date:**	11/15/25[1]
% Fair Value:	75%	**5 Year Valuation Multiple Estimate:**	6.0%	**Dividend Payment Date:**	12/16/25[2]
Dividend Yield:	5.7%	**5 Year Price Target**	$23	**Years Of Dividend Growth:**	5
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

UMH Properties is a real estate investment trust (i.e., REIT) and is one of the largest manufactured housing landlords in the United States. It was founded in 1968 and currently owns tens of thousands of developed sites and over one hundred communities located across the midwestern and northeastern United States.

On August 6, 2025, UMH Properties reported results for the second quarter ended June 30, 2025, showing continued growth in revenue and rental income supported by strong demand for manufactured housing communities. Total income for the quarter was $66.4 million, an increase of 9% from $61.0 million in the same quarter of 2024, primarily driven by higher rental and related income. Rental and related income reached $56.2 million, up 8% year-over-year, reflecting higher occupancy and rental rate growth across the company's portfolio of manufactured home communities. Net income attributable to common shareholders was $9.8 million, or $0.16 per diluted share, compared with $6.5 million, or $0.11 per diluted share, in the prior year. Core funds from operations totaled $21.3 million, or $0.36 per share, compared with $18.7 million, or $0.33 per share, a year earlier, demonstrating strong cash flow generation and consistent dividend coverage. Portfolio performance remained robust with same-property occupancy rising to 87.5%, up from 85.7% in the prior year, as demand for affordable housing continued to strengthen. The company added 280 rental homes during the quarter, bringing its total rental home portfolio to over 11,200 units, further enhancing recurring revenue streams. UMH maintained a solid balance sheet with total liquidity of $260 million, including cash and availability under its credit facility. Net debt to total capitalization stood at 42%, supporting ongoing growth investments. The board of directors declared a quarterly dividend of $0.215 per share, consistent with prior periods and fully covered by cash flow. During the quarter, UMH acquired two manufactured housing communities containing 315 developed homesites for $24.5 million, expanding its geographic footprint in growth markets. Overall, the second quarter of 2025 highlighted UMH's ability to deliver strong rental income growth, improve occupancy, expand its portfolio, and maintain a secure dividend underpinned by stable cash flow and a favorable demand environment.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
FFO/S	$0.55	$0.75	$0.72	$0.73	$0.63	$0.70	$0.87	$0.85	$0.86	$0.93	***$0.97***	***$1.40***
NAV/S	$9.89	$13.10	$16.08	$17.73	$16.42	$16.83	$25.78	$22.66	$17.45	$20.69	***$21.17***	***$22.50***
DPS	$0.72	$0.72	$0.72	$0.72	$0.72	$0.72	$0.76	$0.80	$0.82	$0.85	***$0.90***	***$1.15***
Shares[3]	27.1	30.1	36.1	38.8	41.2	42.4	52.0	59.6	69.3	82.5	***84.9***	***87.5***

UMH Properties has managed to grow its net asset value (NAV) per share at an attractive rate in recent years, and we expect it to be able to continue doing so for the foreseeable future. UMH Properties' average occupancy rate is now reaching levels that will give management greater pricing power over tenants, thereby delivering better same-property net operating income growth. Additionally, its preferred shares are trading at levels that will enable the company to

[1] Estimate
[2] Estimate
[3] In millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

redeem and reissue them at significantly lower yields, thereby improving the company's FFO-per-share metrics while also improving the cost of capital. Last, but not least, UMH Properties still owns a large portfolio of undeveloped land that it plans to develop in the coming years, which will drive FFO per share and NAV per share growth in the coming years. The REIT also has a sizable portfolio that can be liquidated as needed to drive accretive growth investments. Overall, we expect NAV per share to grow at a 1.2% annualized clip over the next half-decade.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
P/NAV	1.0	1.1	0.9	0.7	0.9	0.9	0.9	0.7	0.6	0.9	***0.7***	***1.0***
Avg. Yld.	7.1%	5.0%	4.8%	6.1%	4.7%	4.8%	3.2%	4.8%	7.3%	4.6%	***5.7%***	***5.1%***

UMH Properties is growing and is set to continue doing so at a solid clip. Furthermore, the balance sheet and portfolio stability have also recently improved materially. As a result, we believe that this REIT deserves to trade in line with its net asset value. Given this, we view the stock as being slightly undervalued at the moment.

Safety, Quality, Competitive Advantage, & Recession Resiliency

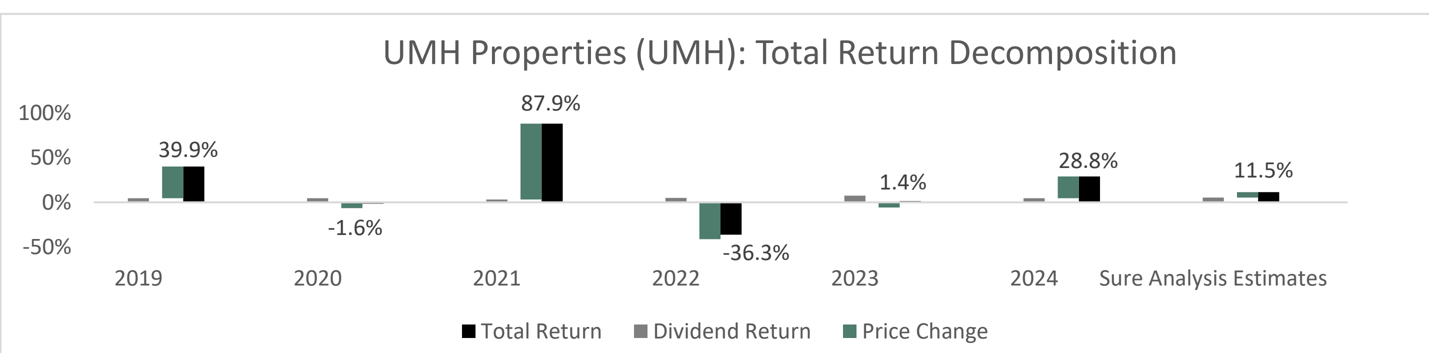
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	131%	96%	100%	99%	114%	103%	87%	94%	95%	91%	***93%***	***82%***

Given that manufactured homes tend to be lower price point housing, they are quite resilient in the face of economic downturns. As a result, we view UMH Properties as a recession resilient business. This played out in 2020 when FFO and NAV per share both grew year-over-year, and the dividend payout level was maintained despite the COVID-19 disruption to the economy. That said, it is important to keep in mind that UMH Properties' communities are located in midwestern and northeastern regions that would likely be more significantly impacted by a protracted recession, so the REIT is not totally recession proof. Given that management recently raised the dividend, and it remains sufficiently covered by FFO-per-share with significant growth on the way, we believe the dividend is safe for the foreseeable future and is in fact likely to see additional growth in the years to come. Another risk to keep in mind is that UMH Properties holds a significant publicly traded REIT portfolio of its own. As a result, investors in UMH are not merely buying its manufactured community housing portfolio but are also adding exposure to the REIT names in UMH's portfolio. Given the mixed results of UMH's REIT investing performance, it is uncertain if this approach is adding or detracting value from shareholders and, in a sharp market selloff – investors could see NAV fall faster than it would otherwise.

Final Thoughts & Recommendation

UMH Properties is an emerging dividend growth REIT that currently offers an attractive 5.7% dividend yield with low-single-digit annualized NAV per share growth potential. Additionally, the REIT is quite recession-resistant. Overall, we rate shares a Hold as our annualized total return projection is 11.5%.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	82	99	113	130	147	164	186	196	221	241
Gross Profit	39	50	56	65	72	86	98	103	118	131
Gross Margin	48.3%	50.5%	50.0%	50.1%	49.1%	52.6%	52.6%	52.4%	53.6%	54.6%
SG&A Exp.	10	11	13	15	15	16	19	24	27	29
D&A Exp.	19	23	28	32	37	42	45	49	56	60
Operating Profit	10	16	16	19	20	28	34	30	36	42
Operating Margin	12.8%	16.2%	14.2%	14.3%	13.6%	17.3%	18.2%	15.1%	16.4%	17.7%
Net Profit	2	12	13	(36)	28	5	51	(5)	8	22
Net Margin	2.6%	11.6%	11.2%	-27.9%	18.9%	3.1%	27.4%	-2.5%	3.6%	9.0%
Free Cash Flow	26	29	41	40	39	67	65	(7)	120	82

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	600	680	824	881	1,025	1,089	1,271	1,345	1,428	1,564
Cash & Equivalents	7	4	23	7	13	15	116	30	57	100
Inventories	14	17	18	24	32	25	24	88	33	35
Total Liabilities	354	363	403	456	479	588	529	793	721	648
Accounts Payable	3	3	3	4	5	4	4	6	6	8
Long-Term Debt	341	351	390	439	457	558	499	762	690	615
Shareholder's Equity	110	130	182	136	141	94	280	324	415	593
LTD/E Ratio	1.38	1.11	0.92	1.03	0.84	1.11	0.67	1.39	0.98	0.67

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.4%	1.8%	1.7%	-4.2%	2.9%	0.5%	4.3%	-0.4%	0.6%	1.4%
Return on Equity	0.9%	4.1%	3.4%	-8.6%	5.7%	1.0%	8.2%	-0.8%	1.3%	2.7%
ROIC	0.4%	1.8%	1.7%	-4.3%	3.0%	0.5%	4.4%	-0.4%	0.6%	1.5%
Shares Out.	27.1	30.1	36.1	38.8	41.2	42.4	52.0	59.6	69.3	82.5
Revenue/Share	3.14	3.57	3.45	3.51	3.65	3.95	3.92	3.54	3.47	3.21
FCF/Share	0.99	1.05	1.25	1.09	0.96	1.61	1.37	(0.13)	1.89	1.09

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.