



# UMH Properties, Inc. (UMH)

Updated August 14<sup>th</sup>, 2026, by Kody Kester

## Key Metrics

|                             |         |                                            |             |                                  |          |
|-----------------------------|---------|--------------------------------------------|-------------|----------------------------------|----------|
| <b>Current Price:</b>       | \$16.52 | <b>5 Year CAGR Estimate:</b>               | 12.0%       | <b>Market Cap:</b>               | \$1.4B   |
| <b>Fair Value Price:</b>    | \$18.00 | <b>5 Year Growth Estimate:</b>             | 6.0%        | <b>Ex-Dividend Date:</b>         | 08/17/26 |
| <b>% Fair Value:</b>        | 92%     | <b>5 Year Valuation Multiple Estimate:</b> | 1.7%        | <b>Dividend Payment Date:</b>    | 09/15/26 |
| <b>Dividend Yield:</b>      | 5.4%    | <b>5 Year Price Target</b>                 | \$24.12     | <b>Years Of Dividend Growth:</b> | 6        |
| <b>Dividend Risk Score:</b> | F       | <b>Sector:</b>                             | Real Estate | <b>Rating:</b>                   | Hold     |

## Overview & Current Events

UMH Properties, Inc. (UMH) is a real estate investment trust (REIT) with expertise in the ownership and management of manufactured home communities. Since its founding in 1968, the company has grown to 145 manufactured home communities (including three joint ventures) containing roughly 27,100 developed homesites in 12 U.S. states throughout the Mid-Atlantic, the Midwest, and, more recently, the Sun Belt. UMH became a publicly traded company in 1985.

Different from most of its peers, the REIT utilizes a unique “rental home” strategy, owning 11,200 units that it rents directly to residents. That provides UMH with a dual income stream: Traditional land lease revenue and supplemental home rental income. As of Jun. 30, 2026, the portfolio occupancy rate was 89.0%, with an average monthly site rent of \$586. Home rental occupancy was even stronger, with an occupancy rate of 95.3%. What’s more, UMH had a land bank of approximately 2,400 acres available to be developed into around 9,300 sites.

On Aug. 5, UMH shared its earnings report for the second quarter ended Jun. 30, 2026. The company’s total income (revenue) grew by 7.5% year-over-year to \$71.64 million during the quarter. UMH’s same-property income growth was 8.1% in the quarter, which was made possible by roughly 5% average rental rate increases, improved same-property occupancy, and the conversion of inventory into revenue-producing rental homes. UMH’s normalized FFO per share rose by 8.7% for the quarter to \$0.25. That was in line with the analyst consensus during the quarter.

## Growth on a Per-Share Basis

| Year                      | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   | 2025   | 2026          | 2031          |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| <b>FFO/S</b>              | \$0.66 | \$0.66 | \$0.74 | \$0.63 | \$0.70 | \$0.87 | \$0.85 | \$0.86 | \$0.93 | \$0.95 | <b>\$1.00</b> | <b>\$1.34</b> |
| <b>DPS</b>                | \$0.72 | \$0.72 | \$0.72 | \$0.72 | \$0.72 | \$0.76 | \$0.80 | \$0.82 | \$0.85 | \$0.89 | <b>\$0.90</b> | <b>\$1.09</b> |
| <b>Shares<sup>1</sup></b> | 29.4   | 35.5   | 38.3   | 41.1   | 41.9   | 51.7   | 57.6   | 68.0   | 81.9   | 84.9   | <b>85.4</b>   | <b>94.0</b>   |

Since 2016, UMH’s normalized FFO per share has compounded by just over 4% annually. Looking ahead, we think that this can moderately accelerate to 6% annually through 2031, off an anticipated 2026 base of \$1.00 (this would be just below the midpoint of the \$0.98 to \$1.04 guidance set forth for 2026 by management). One key driving factor for UMH moving forward is that it’s sitting on plenty of vacant land within its existing communities. On its 27,000-plus developed sites, around 3,000 are currently earning nothing. Adding a home to a vacant lot it already owns requires no new roads and no new managers, meaning most of that incremental rent flows to the bottom line. An equally important growth driver for UMH is consistent annual site rent increases and the ongoing shift from site-only residents to the rental home mix (revenue per site roughly doubles). Improved operating leverage with increased scale should be the final piece of the puzzle for UMH.

<sup>1</sup> Share count is in millions.



# UMH Properties, Inc. (UMH)

Updated August 14<sup>th</sup>, 2026, by Kody Kester

## Valuation Analysis

| Year      | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now         | 2031        |
|-----------|------|------|------|------|------|------|------|------|------|------|-------------|-------------|
| P/FFO     | 22.8 | 22.6 | 15.8 | 24.6 | 21.1 | 31.4 | 18.9 | 17.8 | 20.4 | 16.7 | <b>16.5</b> | <b>18.0</b> |
| Avg. Yld. | 4.8% | 4.8% | 6.1% | 4.6% | 4.9% | 2.8% | 5.0% | 5.4% | 4.5% | 5.6% | <b>5.4%</b> | <b>4.5%</b> |

Since 2016, UMH has traded at a P/FFO ratio of as low as the low-teens recently to as much as the low-30s in the days of zero interest rate policy. That has skewed the average P/FFO ratio over that time to around 21. Moving forward, we continue to believe that a rational fair value multiple for UMH in the higher interest rate environment is around 18. Compared to the current-year P/FFO ratio of 16.5, this implies shares remain slightly undervalued.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

| Year   | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026       | 2031       |
|--------|------|------|------|------|------|------|------|------|------|------|------------|------------|
| Payout | 109% | 109% | 97%  | 114% | 103% | 87%  | 94%  | 95%  | 91%  | 94%  | <b>90%</b> | <b>82%</b> |

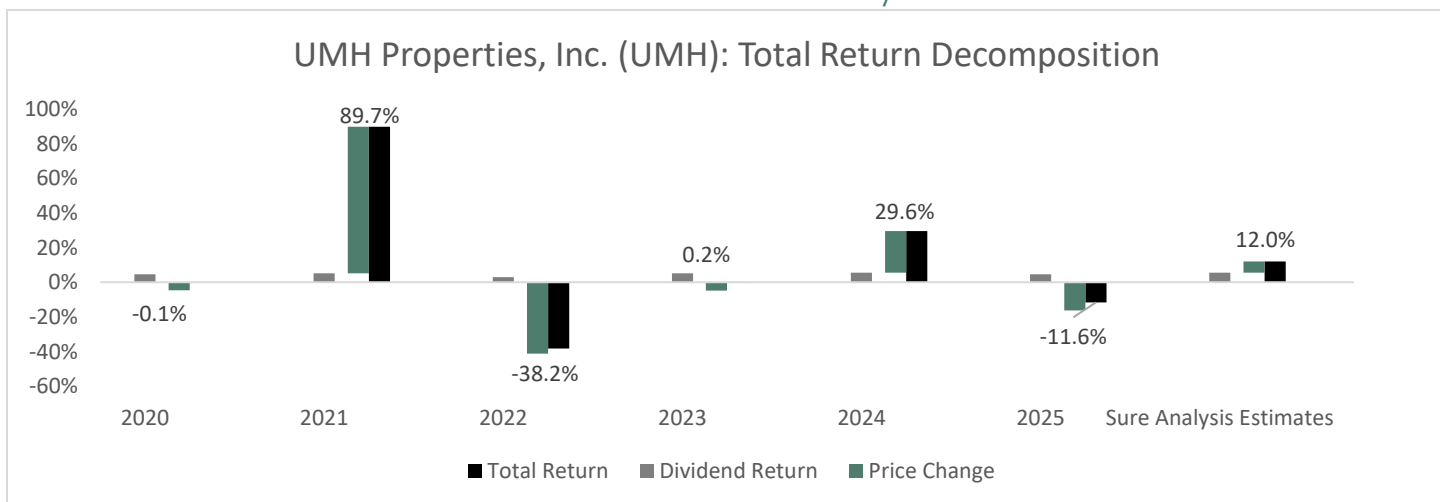
UMH's key competitive advantage is its rental home moat. The 11,000-plus rental home portfolio allows the company to capture not only site rent but home rent as well. The major edge that this has over a comparable two-bedroom apartment in UMH's markets is that such a rental home tends to be \$300 to \$500 a month cheaper, while also offering a private yard and no shared walls. This creates a sticky tenant base with very high renewal rates. Another advantage is that because UMH already owns 2,300 acres of vacant land adjacent to existing communities, its costs to add a new site are much lower than buying a new community. These infill and expansion projects often generate unlevered returns of 10% or higher, which is superior to the 5% to 6% cap rates found on the open acquisition market.

UMH's balance sheet is solid, too. As of Jun. 30, 2026, the REIT's net debt to adjusted EBITDA ratio was 5.6x. Additionally, the company's net debt to capitalization ratio was 31.5%. These figures both suggest its debt load is manageable and its capital structure is conservative. On the other hand, UMH's payout ratio is likely to remain quite high in 2026 at around 90%. That's why we think that dividend growth will meaningfully lag normalized FFO per share growth for the foreseeable future.

## Final Thoughts & Recommendation

UMH's 5.4% dividend yield, 6.0% annual normalized FFO per share growth prospects, and 1.7% annual valuation multiple upside potential could generate 12.0% annual total return over the medium term. Still, the low Dividend Risk Score is what holds us back from a Buy rating. That's why we're reiterating our Hold rating.

## Total Return Breakdown by Year



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.



# UMH Properties (UMH)

Updated August 14<sup>th</sup>, 2026, by Kody Kester

## Income Statement Metrics

| Year             | 2016  | 2017  | 2018   | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  |
|------------------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|
| Revenue          | 99    | 113   | 130    | 147   | 164   | 186   | 196   | 221   | 241   | 262   |
| Gross Profit     | 27    | 29    | 33     | 35    | 44    | 53    | 54    | 63    | 71    | 77    |
| Gross Margin     | 27.1% | 25.5% | 25.6%  | 24.0% | 27.1% | 28.4% | 27.5% | 28.4% | 29.5% | 29.3% |
| D&A Exp.         | 23    | 28    | 32     | 37    | 42    | 45    | 49    | 56    | 60    | 67    |
| Operating Profit | 16    | 15    | (34)   | 34    | 14    | 59    | 8     | 33    | 44    | 46    |
| Operating Margin | 15.6% | 13.7% | -26.0% | 23.5% | 8.7%  | 31.7% | 3.9%  | 14.7% | 18.1% | 17.4% |
| Net Profit       | 11    | 12    | (36)   | 27    | 5     | 51    | (5)   | 8     | 21    | 26    |
| Net Margin       | 11.2% | 10.8% | -27.9% | 18.6% | 3.1%  | 27.4% | -2.5% | 3.6%  | 8.9%  | 10.0% |
| Free Cash Flow   | 29    | 41    | 40     | 39    | 67    | 65    | (8)   | 120   | 82    | 82    |

## Balance Sheet Metrics

| Year                 | 2016 | 2017 | 2018 | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  |
|----------------------|------|------|------|-------|-------|-------|-------|-------|-------|-------|
| Total Assets         | 680  | 824  | 881  | 1,025 | 1,089 | 1,271 | 1,345 | 1,428 | 1,564 | 1,699 |
| Cash & Equivalents   | 4    | 23   | 7    | 13    | 15    | 116   | 30    | 57    | 100   | 72    |
| Inventories          | 17   | 18   | 24   | 32    | 25    | 24    | 88    | 33    | 35    | 42    |
| Total Liabilities    | 363  | 403  | 456  | 479   | 588   | 529   | 793   | 721   | 648   | 792   |
| Long-Term Debt       | 351  | 390  | 439  | 461   | 558   | 499   | 762   | 690   | 615   | 761   |
| Shareholder's Equity | 130  | 182  | 136  | 141   | 94    | 280   | 324   | 415   | 593   | 583   |
| LTD/E Ratio          | 1.11 | 0.92 | 1.03 | 0.84  | 1.11  | 0.67  | 1.39  | 0.98  | 0.68  | 0.84  |

## Profitability & Per-Share Metrics

| Year             | 2016 | 2017 | 2018  | 2019 | 2020 | 2021 | 2022   | 2023 | 2024 | 2025 |
|------------------|------|------|-------|------|------|------|--------|------|------|------|
| Return on Assets | 1.7% | 1.6% | -4.2% | 2.9% | 0.5% | 4.3% | -0.4%  | 0.6% | 1.4% | 1.6% |
| Return on Equity | 3.9% | 3.3% | -8.6% | 5.6% | 1.0% | 8.2% | -0.8%  | 1.2% | 2.6% | 2.9% |
| ROIC             | 1.8% | 1.6% | -4.3% | 2.9% | 0.5% | 4.4% | -0.4%  | 0.6% | 1.5% | 1.6% |
| Shares Out.      | 29.4 | 35.5 | 38.3  | 41.1 | 41.9 | 51.7 | 57.6   | 68.0 | 81.9 | 84.9 |
| Revenue/Share    | 3.57 | 3.45 | 3.51  | 3.65 | 3.95 | 3.92 | 3.60   | 3.50 | 3.21 | 3.09 |
| FCF/Share        | 1.06 | 1.27 | 1.09  | 0.96 | 1.61 | 1.37 | (0.15) | 1.90 | 1.09 | 0.97 |

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

---

### Disclaimer

---

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions, and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided, and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.