

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

UMH PROPERTIES, INC.

Form FWP

March 28, 2016

March 2016 UMH PROPERTIES, INC. UMH Properties, Inc. - Series B Preferred Offering Issuer Free Writing Prospectus Dated March 28, 2016 Filed Pursuant to Rule 433 Registration Statement No. 333-209078 Relating to Preliminary Prospectus Supplement Dated March 28, 2016 to Prospectus Dated February 5, 2016

Forward Looking Statements Statements contained in this presentation that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Also, when we use any of the words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” or similar expressions, we are making forward-looking statements. These forward-looking statements are not guarantees and are based on our current intentions and current expectations and assumptions. These statements, intentions, expectations and assumptions involve risks and uncertainties, some of which are beyond our control that could cause actual results or events to differ materially from those we anticipate or project, such as: changes in real estate market conditions and general economic conditions; the inherent risks associated with owning real estate, including local real estate market conditions, governing laws and regulations and illiquidity of real estate investments; our ability to repay debt financing obligations; our ability to refinance amounts outstanding under our credit facilities at maturity on terms favorable to us; the loss of any member of our management team; our ability to comply with certain debt covenants; our ability to integrate acquired properties and operations into existing operations; continued availability of debt or equity capital; market conditions affecting our equity capital; changes in interest rates under our current credit facilities and under any additional variable rate debt arrangements that we may enter into in the future; our ability to implement successfully our selective acquisition strategy; our ability to maintain internal controls and procedures to ensure all transactions are accounted for properly, all relevant disclosures and filings are timely made in accordance with all rules and regulations and any potential fraud or embezzlement is thwarted or detected; changes in federal or state tax rules or regulations that could have adverse tax consequences; and our ability to qualify as a real estate investment trust for federal income tax purposes. You should not place undue reliance on these forward-looking statements, as events described or implied in such statements may not occur. We undertake no obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise. Recipients are strongly advised to read the Company’s filings with the Securities and Exchange Commission because they contain important information. - * -

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Offering Summary Offering: 1.2 million shares Securities: Series B Preferred Stock Liquidation Preference:
\$25.00 Dividend Rate: 8.00% (\$2.00 per annum) Listing / Symbol: UMH-PB (NYSE) Liquidation Value: \$30.0
million Use of Proceeds: General corporate purposes, which may include purchases of manufactured homes for sale or
lease, expansions of existing communities, acquisitions of additional properties and debt repayment Placement Agent:
CSCA Capital Advisors, LLC - * -

Company Overview UMH Properties, Inc. (“UMH” or “the Company”) is a publicly owned Real Estate Investment Trust (“REIT”). The Company commenced operations in 1968 and has been operating as a public company since 1985. Owner and operator of manufactured home communities – leasing manufactured home spaces on an annual or month-to-month basis to private resident homeowners. Portfolio consists of 98 manufactured home communities containing approximately 17,800 developed sites located in New Jersey, New York, Ohio, Pennsylvania, Tennessee, Indiana and Michigan. UMH rents homes to residents and currently has over 3,700 rental units. UMH anticipates adding 700 new rental homes per year with an investment of \$28.0mm in rental homes which will yield \$5.6mm in gross revenue annually. With 5,100 acres in existing communities, UMH benefits from having 2,700 acres in the Marcellus and Utica Shale Regions. The Company also sells homes to qualified residents through its wholly-owned taxable REIT subsidiary (UMH Sales and Finance, Inc.). The Company has sold approximately 3,200 homes since 1995. In addition, the Company has \$75.0mm of real estate securities and \$18.3mm of loan receivables in its asset portfolio as of December 31, 2015. Manufactured home communities provide high profit margins, recession resistant qualities and stable income streams. Additionally, the high-barrier to entry nature of manufactured home communities enhance the potential for long-term appreciation in value. - * - Financial Information as of December 31, 2015.

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

2009 1968: UMH commences operations 1985:UMH completes Initial Public Offering 2012 1985 1990 1968 1995 2000 2005 2010 April 1, 2006: Corporate name changes from United Mobile Homes, Inc. to UMH Properties, Inc. to more accurately convey the quality of the Company's communities. June 29, 2009: Addition of UMH Properties, Inc. to Russell 2000 Index January 1, 2001: REIT Modernization Act becomes effective. Legislation enables REITs to engage in sales activities. January 1, 1992:UMH elects REIT status. April 1, 2001: UMH Sales & Finance, Inc. commences operations. September 7, 2008: Fannie Mae and Freddie Mac placed into conservatorship. UMH anticipates that going forward households will need to make more sustainable housing decisions. March 2, 2012: UMH Properties, Inc. moves common and preferred stock listings from NYSE: Amex to NYSE 1970 1980 2015 2015 2015 Extensive Operating History - * - 1995:Sam Landy becomes President and CEO of UMH. 2013 2013-2015: UMH increases purchase of rental homes adding a total of 2,600 rental units, including those acquired with acquisitions. 2015

% of Households Owning a Single-Family Home Single Family Home Price Change Year-Over-Year The
Cyclicality of Housing Favorable US Housing Trends - * - UMH is well positioned to participate in the ongoing
recovery of the US housing market

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Portfolio Snapshot Portfolio Statistics Total Communities* 98 Developed Home Sites* 17,800 States 7 Portfolio Occupancy 79.5% Average Monthly Site Rent \$411 Home Rentals as % of Sites 21.2% Home Rental Occupancy 92.9% Annual Turnover Approx. 15% Additional Land to Be Developed (Acreage) Approx. 1,260 Gross Asset Value (\$mm) \$722 Gross Real Estate Book Value (\$mm) \$578 Mortgage debt/ Gross Real Estate Book Value (\$mm) 49.6% Financial Information as of December 31, 2015. 1 Gross asset value based on the book value of total real estate and other assets as of December 31, 2015 plus accumulated depreciation. 2 Gross real estate book value is based on the book value of total real estate assets as of December 31, 2015 plus accumulated depreciation. - * -

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Portfolio Capacity by State - * - Capacity						Communities		Communities		Developed Sites		Developed	
Sites	Avg. Monthly	No.	%	No.	%	Avg. Occup. (1)	Rent (\$)						
PA	42	42.9%	6,524	36.7%	80.4%	\$419	OH	27	27.6%	4,310	24.2%	76.3%	\$345
TN	7	7.1%	1,817	10.2%	84.6%	\$415	NY	7	7.1%	1,130	6.4%	80.2%	\$471
IN	9	9.2%	2,652	14.9%	69.5%	\$385	NJ	4	4.1%	1,006	5.6%	95.3%	\$577
MI	2	2.0%	354	2.0%	65.8%	\$415							
							Grand Total	98	100%	17,793	100%	79.5%	\$411 (1)

Excludes community in Memphis, TN which was closed in 2011 due to an unusual flood. (2) Information as of December 31, 2015.

Occupancy - * - Information as of period ending dates and updated as of December 31, 2015.

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Same Property Occupancy - * - *Same Property includes all properties owned as of January 1, 2014, with the exception of Memphis Blues. Information as of period ending dates and updated as of December 31, 2015.

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

The Marcellus and Utica Shale Regions are large natural gas fields located beneath much of Pennsylvania, Ohio, West Virginia and New York Fields have the potential to be among the largest sources of natural gas in the world Activity surrounding the development of the shale regions is expected to accelerate over the next few years Economies in the shale region are expected to benefit from increased employment, wealth of landowners and state and local tax revenues. UMH is already seeing increased demand for residential units in the region as a result of Marcellus and Utica Shale related activity. Demand for rental homes has increased substantially over the past year. UMH added 1,100 rental homes, including those acquired with acquisitions, in 2015 to satisfy demand. With over 2,700 acres in existing communities, UMH benefits from significant exposure to the Marcellus and Utica Shale Regions. Existing Home Communities Home Community [61] Shale region Source: Wall Street research. Updated as of December 31, 2015. Total Acreage Marcellus & Utica Shale Region Exposure - * - Total – 5,100 Acres Total Sites [approx. 9,500]

UMH Portfolio Growth - * - Since 2010, UMH's portfolio of developed sites has grown by 123% 88 Information as of period ending dates.

UMH Rental Unit Growth - * - Information as of period ending dates.

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Potential for Significant Rental Unit Returns - * - Historical Investments													
Investments (\$ in MM except per unit data) (\$ in MM except per unit data) (\$ in MM except per unit data)													
2010	2011	2012	2013	2014	2015	Rental Units		800	900	1,100	1,700		
2,600	3,700	Investment	Investment	\$23.1	\$26.6	\$37.8	\$61.7	\$91.7	\$134.7	Average Investment Per Unit			
\$36,405	Average Monthly Rents per Unit		Average Monthly Rents per Unit		Average Monthly Rents per Unit		\$28,885	\$29,567	\$34,389	\$36,322	\$35,277		
\$615	\$615	\$634	\$664	\$704	\$720	End of Period Occupancy		End of Period Occupancy		End of Period Occupancy			
87.9%	84.7%	92.2%	89.5%	91.5%	92.9%	Illustrative Rental Unit Economics - 700							
New Units per Year Illustrative Rental Unit Economics - 700 New Units per Year													
Illustrative Rental Unit Economics - 700 New Units per Year													
Illustrative Rental Unit Economics - 700 New Units per Year													
Illustrative Rental Unit Economics - 700 New Units per Year													
Year 1	Year 2	Year 3	Year 4	Year 5	Rental Units		Rental						
Units	700	1,400	2,100	2,800	3,500	Cost per Unit (1)		Cost per Unit (1)	\$40,000	\$42,000	\$44,100		
\$46,305	\$48,620	Average Monthly Rent per Unit (2)		Average Monthly Rent per Unit (2)		Average Monthly Rent per Unit (2)		\$700	\$714	\$728	\$743	\$758	
Total Investment (\$MM)		Total Investment (\$MM)		Total Investment (\$MM)		Total Investment (\$MM)		\$28.0	\$57.4	\$88.3	\$120.7	\$154.7	
Rental Revenue from Units (2)		Rental Revenue from Units (2)		Rental Revenue from Units (2)		Rental Revenue from Units (2)		\$5.3	\$10.8	\$16.5	\$22.5	\$28.6	
Incremental Costs (3)		Incremental Costs (3)		Incremental Costs (3)		Incremental Costs (3)		(1.1)	(2.2)	(3.3)	(4.5)	(5.7)	
Net Contribution from New Rental Units		Net Contribution from New Rental Units		Net Contribution from New Rental Units		Net Contribution from New Rental Units		\$4.2	\$8.6	\$13.2	\$18.0	\$22.9	
Assumed Interest Expense		Assumed Interest Expense		Assumed Interest Expense		Assumed Interest Expense		(0.7)	(1.4)	(2.2)	(3.0)	(3.9)	
Incremental FFO		Incremental FFO		Incremental FFO		Incremental FFO		\$3.5	\$7.2	\$11.0	\$15.0	\$19.0	
Gross Unlevered Return on Investment		Gross Unlevered Return on Investment		Gross Unlevered Return on Investment		Gross Unlevered Return on Investment		15.1%					
15.0%		15.0%		14.9%		14.8%		Illustrative Levered Return (4)		Illustrative Levered Return (4)		Illustrative Levered Return (4)	
25.2%		25.1%		24.9%		24.8%		24.6%		(1) Assumes 5% annual construction cost inflation			
(1) Assumes 5% annual construction cost inflation		(2) Assumes 90% occupancy and 2% annual rent growth		(2) Assumes 90% occupancy and 2% annual rent growth		(2) Assumes 90% occupancy and 2% annual rent growth		(2) Assumes 90% occupancy and 2% annual rent growth		(3) Assumes 20% of revenues			
(3) Assumes 20% of revenues		(4) Assumes 50% leverage with 5% weighted average cost of debt		(4) Assumes 50% leverage with 5% weighted average cost of debt		(4) Assumes 50% leverage with 5% weighted average cost of debt		(4) Assumes 50% leverage with 5% weighted average cost of debt		(4) Assumes 50% leverage with 5% weighted average cost of debt			

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Pace of Opportunistic Acquisitions - * - Average Price Per Site Acquisition Volume Number of Acquired Sites
Financial information as of December 31, 2015.

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Vacant Land to Expand UMH has over 1,261 vacant acres available for future development. Potential for 4 sites per vacant acre at an estimated cost of \$40,000 per site. UMH plans to acquire acreage within 5 miles of its communities for self storage. - * - Sites Planned for Expansion Total – 1,054 sites 27% 7% 20% 13% 8% 25% Information as of December 31, 2015.

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Commenced operations in 2001 as a taxable REIT subsidiary Conducts sales and financing of manufactured homes in its communities Focus on increasing occupancy and enhancing the value of communities Sales price per unit was approximately \$50k over the past twelve months Sales reached a record of \$15.8mm in 2006 prior to the housing downturn (\$US in millions) UMH Sales & Finance, Inc. ("S&F") - * - Information as of December 31, 2015.

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Historically, UMH provided financing to qualified buyers of its manufactured homes. Due to regulatory issues, commencing in 2014, new loans were financed by 21st Mortgage Corporation, a division of Berkshire Hathaway. \$18.3mm loan portfolio with a weighted average interest rate of approximately 9.1%. Portfolio comprised of approximately 632 homes located throughout 61 communities. Most loans require a 10% down payment and 15 year principal amortization. Portfolio generates approximately \$3.8mm in principal and interest payments annually. Loan Portfolio Overview (\$US in millions) - * - Information as of December 31, 2015.

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Total value of \$75.0mm as of 12/31/15 UMH's REIT securities portfolio provides attractive yields (currently 7.7%), diversification and additional liquidity. Securities portfolio represents approximately 10% of total undepreciated assets. \$22.2mm of securities portfolio is invested in the common stock of affiliate Monmouth Real Estate Investment Corporation ("MNR") with an unrealized gain of \$4.4 million as of 12/31/15. Financial Information as of December 31, 2015. Securities by Type Securities by Industry REIT Securities Portfolio Overview - * -

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Core Funds from Operations1 (\$mm) Total Gross Assets (\$mm) Normalized Funds from Operations2 (\$mm) Revenue and Other Income (\$mm) Rental revenue Sales Summary Historical Performance - *
- Interest/Dividend Income FFO \$77.6 Financial Information as of December 31, 2015. We define Core Funds From Operations (Core FFO) as FFO plus acquisitions costs and cost of early extinguishment of debt. We define Normalized Funds from Operations (Normalized FFO) as Core FFO excluding gains and losses realized on securities investments and certain one-time charges. \$0.61 \$0.55 \$0.55 \$0.55 \$0.55 \$0.48 \$0.48 \$0.39 \$0.36 \$0.45

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Summary Capitalization Undepreciated Book Capitalization Total Market Capitalization Total: \$755.4MM Total: \$708.6MM - * - At 12/31/15 (\$US in thousands) (As Reported) Cash & Cash Equivalents \$ 6,536 Total Debt 344,624 Preferred Stock- Liquidation 136,625 Equity- Market Value 274,119 Total Market Capitalization \$ 755,367 Total Debt 344,624 Preferred Stock- Liquidation 136,625 Shareholders' Equity 109,613 Accumulated Depreciation 117,761 Undepreciated Book Capitalization \$ 708,623 Undepreciated Gross Assets \$ 721,790 Net Debt/ Total Market Capitalization 44.8% Net Debt/ Undepreciated Book Capitalization 47.7% Net Debt/ Undepreciated Gross Assets 46.8% Net Debt + Preferred/ Total Market Capitalization 62.8% Net Debt + Preferred/ Undepreciated Book Capitalization 67.0% Net Debt + Preferred/ Undepreciated Gross Assets 65.8% Total Debt/ EBITDA (1) 8.2x Net Debt/ EBITDA (1) 8.1x (1) Reflects annualized Q4 2015 EBITDA.

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Net Debt / Total Market Capitalization Net Debt - Securities / Total Market Capitalization Net Debt /
EBITDA Fixed Charge Coverage¹ 1 Fixed charges include interest expense, capitalized interest and preferred
distributions Balance Sheet Metrics - * - Financial Information as of December 31, 2015.

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Mortgage Debt Maturity Schedule (\$US in millions) Weighted average mortgage debt maturity is 7.1 years Weighted average interest rate is 4.5% Fixed rate mortgage debt is 99.8% of total mortgage debt Mortgage debt as a percentage of total debt is 83.2% In 2015, completed the financing of twenty-one manufactured home communities through Wells Fargo Bank, N. A. for total proceeds of approximately \$139 million Financial Information as of December 31, 2015. Limited Mortgage Debt Maturities - * -

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Long-term track record of profitability
Strong acquisition track record
Well positioned for housing market rebound
Significant upside in real estate portfolio – 79.5% occupancy
Strong balance sheet and stable credit metrics
Well positioned to benefit from the rapidly expanding energy sector investments being made in our region
Significant potential growth through adding rental units
Proven access to institutional capital
Compelling value relative to implied Net Asset Value
Proven ability to add value through acquisitions and expansions
Experienced management team

Investment Highlights - * - Information as of December 31, 2015.

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

Funds from operations ("FFO"), as defined by The National Association of Real Estate Investment Trusts (NAREIT), is calculated to be equal to net income (loss) applicable to common shareholders, as defined by U.S. GAAP, excluding extraordinary items as defined by U.S. GAAP, gains or losses from sales of previously depreciated real estate assets, impairment charges related to depreciable real estate assets, plus certain non-cash items such as real estate asset depreciation and amortization. FFO includes gains and losses realized on securities investments. FFO should be considered as a supplemental measure of operating performance used by REITs. The Company believes that FFO is helpful to investors as one of several measures of the performance of a REIT. FFO excludes historical cost depreciation as an expense and may facilitate the comparison of REITs which have different cost basis. The items excluded from FFO are significant components in understanding the Company's financial performance. FFO (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) is not an alternative to cash flow as a measure of liquidity. FFO, as calculated by the Company, may not be comparable to similarly entitled measures reported by other REITs. Core FFO is calculated as FFO plus acquisition costs and cost of early extinguishment of debt. Normalized FFO is calculated as Core FFO excluding gains and losses realized on securities investments and certain one-time charges.

Operations - * -	Twelve Months Ended	Twelve Months Ended	Twelve Months Ended	Twelve Months Ended	Twelve Months Ended	Twelve Months Ended	Twelve Months Ended	Twelve Months Ended	Twelve Months Ended	Twelve Months Ended		
	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,		
	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013		
Net Income (Loss) Attributable to Common Shareholders	\$ 1,749	\$ (1,720)	\$ (3,319)	\$ (6,123)	\$ 7,357	\$ 11,682	\$ 15,163	\$ 18,878	\$ 9,148	\$ 9,943	\$ 11,837	\$ 12,835
Depreciation Expense			42	(19)	(7)	80						
Funds from Operations ("FFO")	9,148	9,943	11,837	12,835	7,357	11,682	15,163	18,878	9,148	9,943	11,837	12,835
Adjustments:												
Acquisition Costs	862	1,456	484	957	862	1,456	484	957	862	1,456	484	957
Cost of Early Extinguishment of Debt	-	-	-	475	-	-	-	475	-	-	-	475
Core Funds from Operations ("Core FFO")	10,010	11,399	12,321	14,267	8,219	10,226	11,643	13,403	10,010	11,399	12,321	14,267
Adjustments:												
Gain on Sale of Securities Transactions, net	(4,093)	(4,056)	(1,543)	(204)	(4,093)	(4,056)	(1,543)	(204)	(4,093)	(4,056)	(1,543)	(204)
Settlement of Memphis Mobile City Litigation	-	-	-	125	-	-	-	125	-	-	-	125
Normalized Funds From Operations ("Normalized FFO")	\$ 5,917	\$ 7,343	\$ 10,778	\$ 14,188	\$ 4,126	\$ 6,170	\$ 10,100	\$ 13,199	\$ 5,917	\$ 7,343	\$ 10,778	\$ 14,188
Weighted Average Shares Outstanding- Diluted	16,260	18,790	22,540	25,973	16,260	18,790	22,540	25,973	16,260	18,790	22,540	25,973
Net Income (Loss) Attributable to Common Shareholders per Share- Diluted	\$ 0.11	\$ (0.09)	\$ (0.15)	\$ (0.24)	\$ 0.45	\$ 0.62	\$ 0.67	\$ 0.73	\$ 0.56	\$ 0.53	\$ 0.53	\$ 0.49
FFO Per share- Diluted	\$ 0.56	\$ 0.53	\$ 0.53	\$ 0.49	\$ 0.56	\$ 0.53	\$ 0.53	\$ 0.49	\$ 0.56	\$ 0.53	\$ 0.53	\$ 0.49
Core FFO Per Share- Diluted	\$ 0.62	\$ 0.61	\$ 0.55	\$ 0.55	\$ 0.62	\$ 0.61	\$ 0.55	\$ 0.55	\$ 0.62	\$ 0.61	\$ 0.55	\$ 0.55
Normalized FFO Per Share- Diluted	\$ 0.36	\$ 0.39	\$ 0.48	\$ 0.55	\$ 0.36	\$ 0.39	\$ 0.48	\$ 0.55	\$ 0.36	\$ 0.39	\$ 0.48	\$ 0.55

For additional information including all SEC filings please visit: WWW.UMH.REIT

Edgar Filing: UMH PROPERTIES, INC. - Form FWP

UMH Properties, Inc. has filed a registration statement (including a prospectus dated February 5, 2016 and a preliminary prospectus supplement dated March 28, 2016) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the related preliminary prospectus supplement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer or placement agent will arrange to send you the prospectus and preliminary prospectus supplement if you request it by calling CSCA Capital Advisors, LLC at 212--446--9177.
