

UMH Properties Expanding Global Investor Base by Listing in Tel Aviv

02/24/2022 | by Sarah Borchersen-Keto

UMH Properties, Inc.’s (NYSE: UMH) recent listing of its shares on the Tel Aviv Stock Exchange will allow the REIT to widen its investor base and create additional liquidity, while also providing foreign investors access to an asset class with strong fundamentals, UMH President and CEO Sam Landy said.

Landy told Nareit that prior to a slew of presentations with dozens of Israeli investors over a roughly three-week period, there was little familiarity in that country with the manufactured housing asset class. He noted that “all foreigners, not just Israelis, would like to diversify into U.S. real estate,” and U.S. REITs have “a lot of appeal.” Attracting new investors to the space should be “very rewarding” for the company and shareholders. Landy said.

Landy also discussed UMH’s recent joint venture with Nuveen Real Estate, in which the REIT will hold a 40% stake. He noted that the partnership will allow UMH to have an immediate positive cash flow from the development of new communities as a result of income from management fees. If UMH were to attempt to remedy the severe shortage of manufactured homes on its own, he said, that could potentially negatively impact funds from operations (FFO). “We think this is a very beneficial, long-term way to develop more communities,” Landy noted.

Looking ahead for the rest of 2022, Landy said UMH expects to secure a 4% rent increase and to create significant new revenue by adding to the number of rental homes as new developments, including Duck River Estates in Nashville, come online. At the same time, UMH will have the ability to pay off \$247 million of preferred stock due in July with lower cost capital, he noted.

Landy stressed that UMH’s mission is to provide quality, affordable manufactured housing. As the REIT has reduced its own cost of capital it has also reduced the interest rate its residents pay for financing homes. And even though UMH is raising rents by 4%, Landy described the increase as “very restrained” compared to other rental housing. “We are passing part of our savings onto our customers. Our cost structure is decreasing year after year, so our rent increases are more limited than many other people in the rental housing industry,” Landy said.

Companies:

COMPANY NAME	1 YEAR TOTAL RETURN	STOCK PRICE
<p data-bbox="164 1167 548 1209">UMH Properties, Inc.</p> <p data-bbox="164 1230 345 1251">Residential REITs</p>	<p data-bbox="862 1167 951 1188">39.15%</p> <p data-bbox="862 1209 1016 1251">As of market close 03/08/2022</p>	<p data-bbox="1211 1178 1398 1230">\$24.44</p>