

# UMH PROPERTIES, INC.

## **FORM 8-K** (Current report filing)

Filed 02/24/22 for the Period Ending 02/24/22

Address	3499 ROUTE 9 N, SUITE 3-C JUNIPER BUSINESS PLAZA FREEHOLD, NJ, 07728
Telephone	7325779997
CIK	0000752642
Symbol	UMH
SIC Code	6798 - Real Estate Investment Trusts
Industry	Residential REITs
Sector	Financials
Fiscal Year	12/31

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

---

**FORM 8-K**

---

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 24, 2022

---

**UMH Properties, Inc.**

(Exact name of registrant as specified in its charter)

---

**Maryland**  
(State or other jurisdiction  
of incorporation)

**001-12690**  
(Commission  
File Number)

**22-1890929**  
(IRS Employer  
Identification No.)

**Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, NJ**  
(Address of principal executive offices)

**07728**  
(Zip Code)

**Registrant's telephone number, including area code: (732) 577-9997**

**Not Applicable**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, \$.10 par value	UMH	New York Stock Exchange
6.75% Series C Cumulative Redeemable Preferred Stock, \$.10 par value	UMH PRC	New York Stock Exchange
6.375% Series D Cumulative Redeemable Preferred Stock, \$.10 par value	UMH PRD	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

---

---

## **Item 2.02 Results of Operations and Financial Condition.**

### **Item 7.01 Regulation FD Disclosure.**

On February 24, 2022, UMH Properties, Inc. issued a press release announcing the results for the fourth quarter and year ended December 31, 2021 and disclosed a supplemental information package in connection with its earnings conference call for the fourth quarter and year ended December 31, 2021. A copy of the supplemental information package and press release is furnished with this report as Exhibit 99 and is incorporated herein by reference.

The information in this report and the exhibit attached hereto is being furnished, not filed, for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and pursuant to Item 2.02 and Item 7.01 of Form 8-K will not be incorporated by reference into any filing under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

#### **Forward-Looking Statements**

Statements contained in this report, including the document that is incorporated by reference, that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended and the Private Securities Litigation Reform Act of 1995 (the “Exchange Act”). All statements, other than statements of historical facts that address activities, events or developments where the Company uses any of the words “anticipates,” “assumes,” “believes,” “estimates,” “expects,” “intends,” or similar expressions, are forward-looking statements. These forward-looking statements are not guaranteed and are based on the Company’s current intentions and on the Company’s current expectations and assumptions. These statements, intentions, expectations and assumptions involve risks and uncertainties, some of which are beyond the Company’s control that could cause actual results or events to differ materially from those that the Company anticipates or projects, such as:

- changes in the 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 affecting manufactured housing communities and illiquidity of real estate investments;
- increased competition in the geographic areas in which we own and operate manufactured housing communities;
- our ability to continue to identify, negotiate and acquire manufactured housing communities and/or vacant land which may be developed into manufactured housing communities on terms favorable to us;
- our ability to maintain rental rates and occupancy levels;
- changes in market rates of interest;
- our ability to repay debt financing obligations;
- our ability to refinance amounts outstanding under our credit facilities at maturity on terms favorable to us;
- our ability to comply with certain debt covenants;
- our ability to integrate acquired properties and operations into existing operations;
- the availability of other debt and equity financing alternatives;
- continued ability to access the debt or equity markets;
- the loss of any member of our management team;
- our ability to maintain internal controls and processes 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;
- the ability of manufactured home buyers to obtain financing;
- the level of repossessions by manufactured home lenders;
- market conditions affecting our investment securities;
- 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.

### **Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

99 [Supplemental information package for the fourth quarter and year ended December 31, 2021 and press release dated February 24, 2022.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**UMH Properties, Inc.**

Date: February 24, 2022

By: /s/ Anna T. Chew  
Name: Anna T. Chew  
Title: Vice President and  
Chief Financial Officer



December 31, 2021

Supplemental Information



UMH Properties, Inc.

Juniper Business Plaza  
3499 Route 9 North  
Freehold, NJ 07728

Website: [www.umh.reit](http://www.umh.reit)  
Email: [ir@umh.com](mailto:ir@umh.com)  
Phone: (732) 577-9997

## Table of Contents

---

	Page
<a href="#">Financial Highlights</a>	3
<a href="#">Consolidated Balance Sheets</a>	4
<a href="#">Consolidated Statements of Income (Loss)</a>	5
<a href="#">Consolidated Statements of Cash Flows</a>	6
<a href="#">Reconciliation of Net Income (Loss) to Adjusted EBITDA and Net Income (Loss) Attributable to Common Shareholders to FFO and Normalized FFO</a>	7
<a href="#">Market Capitalization, Debt and Coverage Ratios</a>	8
<a href="#">Debt Analysis</a>	9
<a href="#">Debt Maturity</a>	10
<a href="#">Securities Portfolio Performance</a>	11
<a href="#">Property Summary and Snapshot</a>	12
<a href="#">Same Property Statistics</a>	13
<a href="#">Acquisition Summary and Property Portfolio</a>	14
<a href="#">Definitions</a>	15
<a href="#">Press Release Dated February 24, 2022</a>	16

Certain information in this Supplemental Information Package contains Non-GAAP financial measures. These Non-GAAP financial measures are REIT industry financial measures that are not calculated in accordance with accounting principles generally accepted in the United States of America. Please see page 15 for a definition of these Non-GAAP financial measures and page 7 for the reconciliation of certain captions in the Supplemental Information Package to the statement of operations as reported in the Company's filings with the SEC on Form 10-K.

**Financial Highlights***(dollars in thousands except per share amounts) (unaudited)*

	Three Months Ended		Twelve Months Ended	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
<b>Operating Information</b>				
Number of Communities			127	124
Number of Sites			24,025	23,433
Rental and Related Income	\$ 40,708	\$ 37,577	\$ 159,010	\$ 143,344
Community Operating Expenses	\$ 17,031	\$ 15,984	\$ 68,046	\$ 63,175
Community NOI	\$ 23,677	\$ 21,593	\$ 90,964	\$ 80,169
Expense Ratio	41.8%	42.5%	42.8%	44.1%
Sales of Manufactured Homes	\$ 5,270	\$ 5,252	\$ 27,089	\$ 20,265
Number of Homes Sold	76	71	370	323
Number of Rentals Added	6	174	454	858
Net Income (Loss)	\$ 17,010	\$ 23,245	\$ 51,088	\$ 5,055
Net Income (Loss) Attributable to				
Common Shareholders	\$ 9,410	\$ 15,591	\$ 21,249	\$ (29,759)
Adjusted EBITDA	\$ 22,308	\$ 21,305	\$ 88,318	\$ 79,450
FFO Attributable to Common Shareholders	\$ 10,091	\$ 8,544	\$ 39,149	\$ 26,283
Normalized FFO Attributable to				
Common Shareholders	\$ 11,016	\$ 8,544	\$ 41,144	\$ 29,154
<b>Shares Outstanding and Per Share Data</b>				
Weighted Average Shares Outstanding				
Basic	49,713	41,754	46,332	41,395
Diluted	51,128	42,390	47,432	41,395
Net Income (Loss) Attributable to Common				
Shareholders per Share –				
Basic	\$ 0.19	\$ 0.38	\$ 0.46	\$ (0.72)
Diluted	\$ 0.17	\$ 0.38	\$ 0.45	\$ (0.72)
FFO per Share –				
Diluted	\$ 0.20	\$ 0.20	\$ 0.83	\$ 0.63
Normalized FFO per Share –				
Diluted	\$ 0.22	\$ 0.20	\$ 0.87	\$ 0.70
Dividends per Common Share	\$ 0.19	\$ 0.18	\$ 0.76	\$ 0.72
<b>Balance Sheet</b>				
Total Assets			\$ 1,270,820	\$ 1,089,413
Total Liabilities			\$ 528,680	\$ 587,605
<b>Market Capitalization</b>				
Total Debt, Net of Unamortized Debt				
Issuance Costs			\$ 499,324	\$ 558,486
Equity Market Capitalization			\$ 1,411,624	\$ 620,819
Series C Preferred Stock			\$ 247,100	\$ 247,100
Series D Preferred Stock			\$ 215,219	\$ 160,854
Total Market Capitalization			\$ 2,373,267	\$ 1,587,259

**Consolidated Balance Sheets***(in thousands except per share amounts)*

	December 31, 2021	December 31, 2020
<b>ASSETS</b>		
<b>Investment Property and Equipment</b>		
Land	\$ 74,963	\$ 73,491
Site and Land Improvements	716,211	657,301
Buildings and Improvements	30,450	28,106
Rental Homes and Accessories	383,467	349,585
Total Investment Property	1,205,091	1,108,483
Equipment and Vehicles	24,437	22,572
Total Investment Property and Equipment	1,229,528	1,131,055
Accumulated Depreciation	(316,073)	(272,823)
<b>Net Investment Property and Equipment</b>	<b>913,455</b>	<b>858,232</b>
<b>Other Assets</b>		
Cash and Cash Equivalents	116,175	15,336
Marketable Securities at Fair Value	113,748	103,172
Inventory of Manufactured Homes	23,659	25,450
Notes and Other Receivables, net	55,359	46,414
Prepaid Expenses and Other Assets	17,135	19,984
Land Development Costs	22,352	20,825
Investment in Joint Venture	8,937	-0-
<b>Total Other Assets</b>	<b>357,365</b>	<b>231,181</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,270,820</b>	<b>\$ 1,089,413</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Mortgages Payable, net of unamortized debt issuance costs	\$ 452,567	\$ 471,477
<b>Other Liabilities</b>		
Accounts Payable	4,274	4,390
Loans Payable, net of unamortized debt issuance costs	46,757	87,009
Accrued Liabilities and Deposits	17,162	17,296
Tenant Security Deposits	7,920	7,433
Total Other Liabilities	76,113	116,128
<b>Total Liabilities</b>	<b>528,680</b>	<b>587,605</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>Shareholders' Equity:</b>		
Series C- 6.75% Cumulative Redeemable Preferred Stock, par value \$0.10 per share; 13,750 shares authorized; 9,884 issued and outstanding as of December 21, 2021 and 2020	247,100	247,100
Series D - 6.375% Cumulative Redeemable Preferred Stock, par value \$0.10 per share; 9,300 shares authorized; 8,609 and 6,434 shares issued and outstanding as of December 21, 2021 and 2020, respectively	215,219	160,854
Common Stock – \$0.10 par value per share: 144,164 shares authorized; 51,651 and 41,920 shares issued and outstanding as of December 21, 2021 and 2020, respectively	5,165	4,192
Excess Stock – \$0.10 par value per share: 3,000 shares authorized; no shares issued or outstanding as of December 21, 2021 and 2020	-0-	-0-
Additional Paid-In Capital	300,020	115,026
Undistributed Income (Accumulated Deficit)	(25,364)	(25,364)
<b>Total Shareholders' Equity</b>	<b>742,140</b>	<b>501,808</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 1,270,820</b>	<b>\$ 1,089,413</b>



**Consolidated Statements of Income (Loss)***(in thousands except per share amounts)*

	<i>(unaudited)</i>			
	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>12/31/2021</b>	<b>12/31/2020</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
<b>INCOME:</b>				
Rental and Related Income	\$ 40,708	\$ 37,577	\$ 159,010	\$ 143,344
Sales of Manufactured Homes	5,270	5,252	27,089	20,265
<b>TOTAL INCOME</b>	<b>45,978</b>	<b>42,829</b>	<b>186,099</b>	<b>163,609</b>
<b>EXPENSES:</b>				
Community Operating Expenses	17,031	15,984	68,046	63,175
Cost of Sales of Manufactured Homes	3,777	3,704	20,091	14,417
Selling Expenses	990	1,184	4,807	4,941
General and Administrative Expenses	4,150	2,794	14,095	11,056
Depreciation Expense	11,552	10,716	45,124	41,707
<b>TOTAL EXPENSES</b>	<b>37,500</b>	<b>34,382</b>	<b>152,163</b>	<b>135,296</b>
<b>OTHER INCOME (EXPENSE):</b>				
Interest Income	896	773	3,362	2,917
Dividend Income	1,242	1,248	5,098	5,729
Gain on Sales of Marketable Securities, net	-0-	-0-	2,342	-0-
Increase (Decrease) in Fair Value of Marketable Securities	10,932	17,802	25,052	(14,119)
Other Income	138	157	626	718
Interest Expense	(4,615)	(5,143)	(19,158)	(18,287)
<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>8,593</b>	<b>14,837</b>	<b>17,322</b>	<b>(23,042)</b>
Income before Loss on Sales of Investment Property and Equipment	17,071	23,284	51,258	5,271
Loss on Sales of Investment Property and Equipment	(61)	(39)	(170)	(216)
<b>NET INCOME</b>	<b>17,010</b>	<b>23,245</b>	<b>51,088</b>	<b>5,055</b>
Less: Preferred Dividends	(7,600)	(7,654)	(29,839)	(31,943)
Less: Redemption of Preferred Stock	-0-	-0-	-0-	(2,871)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS</b>	<b>\$ 9,410</b>	<b>\$ 15,591</b>	<b>\$ 21,249</b>	<b>\$ (29,759)</b>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDER PER SHARE –</b>				
Basic	\$ 0.19	\$ 0.38	\$ 0.46	\$ (0.72)
Diluted	\$ 0.17	\$ 0.38	\$ 0.45	\$ (0.72)
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:</b>				
Basic	49,713	41,754	46,332	41,395
Diluted	51,128	42,390	47,432	41,395

**Consolidated Statements of Cash Flows***(in thousands)*

	<b>Twelve Months Ended</b>	
	<b>12/31/2021</b>	<b>12/31/2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income	\$ 51,088	\$ 5,055
Non-Cash Items Included in Net Income:		
Depreciation	45,124	41,707
Amortization of Financing Costs	1,001	1,027
Stock Compensation Expense	3,447	1,327
Provision for Uncollectible Notes and Other Receivables	1,213	1,546
Gain on Sales of Marketable Securities, net	(2,342)	-0-
(Increase) Decrease in Fair Value of Marketable Securities	(25,052)	14,119
Loss on Sales of Investment Property and Equipment	170	216
Changes in Operating Assets and Liabilities:		
Inventory of Manufactured Homes	1,791	6,517
Notes and Other Receivables, net of notes acquired with acquisitions	(9,957)	(9,965)
Prepaid Expenses and Other Assets	(1,557)	(2,058)
Accounts Payable	(116)	(182)
Accrued Liabilities and Deposits	(134)	6,720
Tenant Security Deposits	487	810
<b>Net Cash Provided by Operating Activities</b>	<b>65,163</b>	<b>66,839</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Manufactured Home Communities, net of mortgages assumed	(18,405)	(5,320)
Purchase of Investment Property and Equipment	(59,270)	(76,761)
Proceeds from Sales of Investment Property and Equipment	2,859	2,657
Additions to Land Development Costs	(27,428)	(23,241)
Purchase of Marketable Securities	(18)	(1,105)
Proceeds from Sales of Marketable Securities	16,835	-0-
Investment in Joint Venture	(8,937)	-0-
<b>Net Cash Used in Investing Activities</b>	<b>(94,364)</b>	<b>(103,770)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Mortgages, net of mortgages assumed	6,070	105,984
Net Proceeds (Payments) from Short-Term Borrowings	(40,448)	3,309
Principal Payments of Mortgages and Loans	(25,618)	(7,115)
Financing Costs on Debt	(167)	(4,737)
Proceeds from At-The-Market Preferred Equity Program, net of offering costs	53,213	96,141
Redemption of 8.0% Series B Preferred Stock	-0-	(95,017)
Proceeds from At-The-Market Common Equity Program, net of offering costs	179,069	1,743
Proceeds from Issuance of Common Stock in the DRIP, net of dividend reinvestments	6,267	6,003
Repurchase of Preferred Stock, net	-0-	(12)
Repurchase of Common Stock, net	-0-	(1,830)
Proceeds from Exercise of Stock Options	8,601	659
Preferred Dividends Paid	(29,839)	(31,943)
Common Dividends Paid, net of dividend reinvestments	(31,514)	(26,657)
<b>Net Cash Provided by Financing Activities</b>	<b>125,634</b>	<b>46,528</b>
<b>NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>96,433</b>	<b>9,597</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR</b>	<b>28,593</b>	<b>18,996</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR</b>	<b>\$ 125,026</b>	<b>\$ 28,593</b>

**Reconciliation of Net Income (Loss) to Adjusted EBITDA and Net Income (Loss) Attributable to Common Shareholders to FFO and Normalized FFO**

(in thousands except footnotes) (unaudited)

	Three Months Ended		Twelve Months Ended	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
<b>Reconciliation of Net Income (Loss) to Adjusted EBITDA</b>				
Net Income	\$ 17,010	\$ 23,245	\$ 51,088	\$ 5,055
Interest Expense	4,615	5,143	19,158	18,287
Franchise Taxes	63	3	342	282
Depreciation Expense	11,552	10,716	45,124	41,707
(Increase) Decrease in Fair Value of Marketable Securities	(10,932)	(17,802)	(25,052)	14,119
Gain on Sales of Marketable Securities, net	-0-	-0-	(2,342)	-0-
<b>Adjusted EBITDA</b>	<b>\$ 22,308</b>	<b>\$ 21,305</b>	<b>\$ 88,318</b>	<b>\$ 79,450</b>
<b>Reconciliation of Net Income (Loss) Attributable to Common Shareholders to Funds from Operations</b>				
Net Income (Loss) Attributable to Common Shareholders	\$ 9,410	\$ 15,591	\$ 21,249	\$ (29,759)
Depreciation Expense	11,552	10,716	45,124	41,707
Loss on Sales of Investment Property and Equipment	61	39	170	216
(Increase) Decrease in Fair Value of Marketable Securities	(10,932)	(17,802)	(25,052)	14,119
Gain on Sales of Marketable Securities, net	-0-	-0-	(2,342)	-0-
<b>Funds from Operations ("FFO")</b>	<b>10,091</b>	<b>8,544</b>	<b>39,149</b>	<b>26,283</b>
<b>Adjustments:</b>				
Redemption of Preferred Stock	-0-	-0-	-0-	2,871
Non-Recurring Other Expense <sup>(1)</sup>	925	-0-	1,995	-0-
<b>Normalized Funds from Operations ("Normalized FFO")</b>	<b>\$ 11,016</b>	<b>\$ 8,544</b>	<b>\$ 41,144</b>	<b>\$ 29,154</b>

(1) Consists of special bonus and restricted stock grants for the August 2020 groundbreaking Fannie Mae financing, which are being expensed over the vesting period (\$1.8 million) and non-recurring expenses for the joint venture (\$171,000) in 2021.

**Market Capitalization, Debt and Coverage Ratios***(in thousands except per share amounts) (unaudited)*

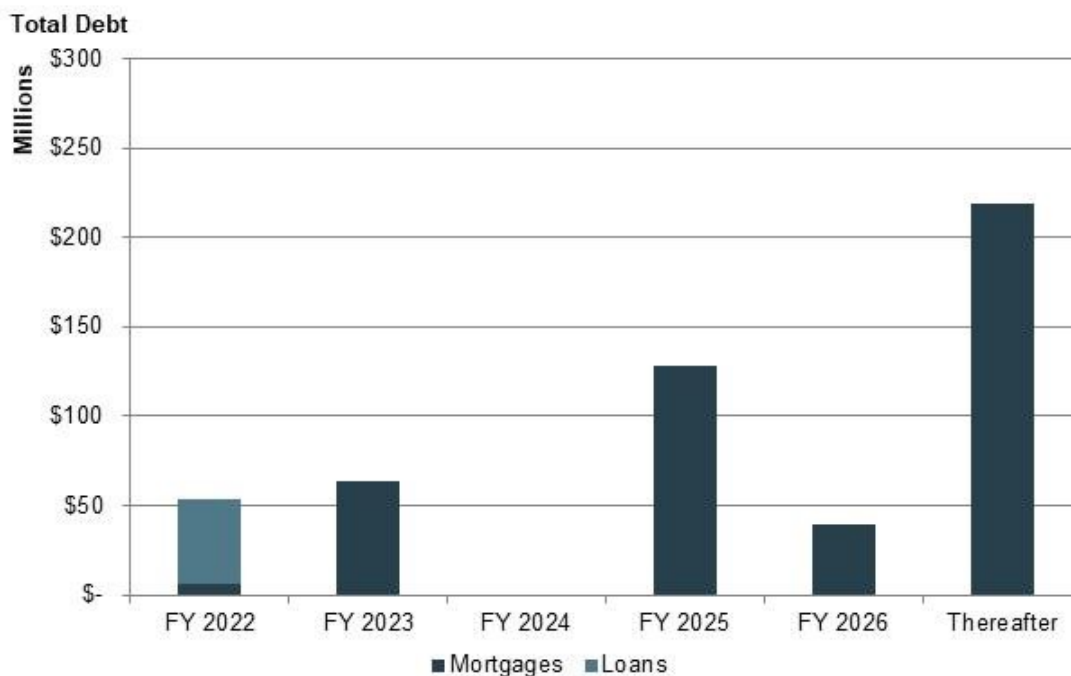
	Twelve Months Ended	
	12/31/2021	12/31/2020
Shares Outstanding	51,651	41,919
Market Price Per Share	\$ 27.33	\$ 14.81
Equity Market Capitalization	\$ 1,411,624	\$ 620,819
Total Debt	499,324	558,486
Preferred	462,319	407,954
<b>Total Market Capitalization</b>	<b>\$ 2,373,267</b>	<b>\$ 1,587,259</b>
Total Debt	\$ 499,324	\$ 558,486
Less: Cash and Cash Equivalents	(116,175)	(15,336)
<b>Net Debt</b>	<b>383,149</b>	<b>543,150</b>
Less: Marketable Securities at Fair Value ("Securities")	(113,748)	(103,172)
<b>Net Debt Less Securities</b>	<b>\$ 269,401</b>	<b>\$ 439,978</b>
Interest Expense	\$ 19,158	\$ 18,287
Capitalized Interest	1,476	1,253
Preferred Dividends	29,839	31,943
<b>Total Fixed Charges</b>	<b>\$ 50,473</b>	<b>\$ 51,483</b>
<b>Adjusted EBITDA</b>	<b>\$ 88,318</b>	<b>\$ 79,450</b>
<b>Debt and Coverage Ratios</b>		
Net Debt / Total Market Capitalization	16.1%	34.2%
Net Debt Plus Preferred / Total Market Capitalization	35.6%	59.9%
Net Debt Less Securities / Total Market Capitalization	11.4%	27.7%
Net Debt Less Securities Plus Preferred / Total Market Capitalization	30.8%	53.4%
Interest Coverage	4.3x	4.1x
Fixed Charge Coverage	1.7x	1.5x
Net Debt / Adjusted EBITDA	4.3x	6.8x
Net Debt Less Securities / Adjusted EBITDA	3.1x	5.5x
Net Debt Plus Preferred / Adjusted EBITDA	9.6x	12.0x
Net Debt Less Securities Plus Preferred / Adjusted EBITDA	8.3x	10.7x

**Debt Analysis***(in thousands) (unaudited)*

	Twelve Months Ended	
	12/31/2021	12/31/2020
<b>Debt Outstanding</b>		
Mortgages Payable:		
Fixed Rate Mortgages	\$ 456,702	\$ 476,390
Unamortized Debt Issuance Costs	(4,135)	(4,913)
<b>Mortgages, Net of Unamortized</b>		
<b>Debt Issuance Costs</b>	<b>\$ 452,567</b>	<b>\$ 471,477</b>
Loans Payable:		
Unsecured Line of Credit	\$ 25,000	\$ 45,000
Other Loans Payable	21,945	42,353
Total Loans Before		
Unamortized Debt Issuance Costs	46,945	87,353
Unamortized Debt Issuance Costs	(188)	(344)
<b>Loans, Net of Unamortized Debt Issuance Costs</b>	<b>\$ 46,757</b>	<b>\$ 87,009</b>
<b>Total Debt, Net of Unamortized Debt Issuance Costs</b>	<b>\$ 499,324</b>	<b>\$ 558,486</b>
<b>% Fixed/Floating</b>		
Fixed	90.7%	84.6%
Floating	9.3%	15.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Weighted Average Interest Rates <sup>(1)</sup></b>		
Mortgages Payable	3.75%	3.81%
Loans Payable	2.66%	2.12%
<b>Total Average</b>	<b>3.65%</b>	<b>3.55%</b>
<b>Weighted Average Maturity (Years) Mortgages Payable</b>	<b>5.2</b>	<b>6.0</b>

*(1) Weighted average interest rates do not include the effect of unamortized debt issuance costs.*

**Debt Maturity**  
(in thousands) (unaudited)



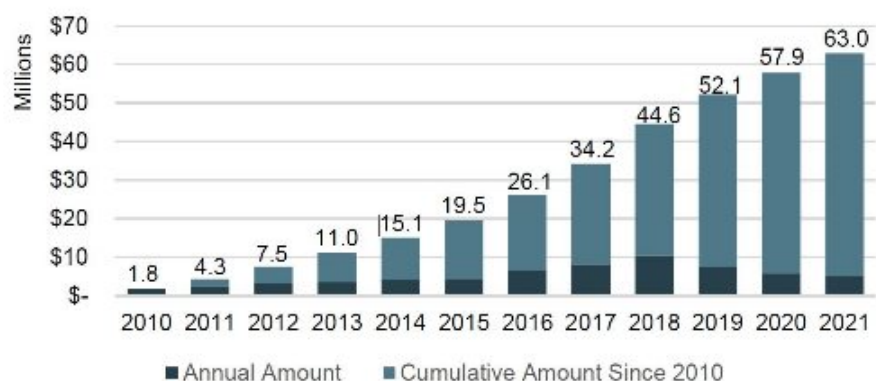
As of 12/31/21:

Fiscal Year Ended	Mortgages	Loans	Total	% of Total
2022	\$ 6,523	\$ 46,945(1)	\$ 53,468	10.6%
2023	63,437	-0-	63,437	12.6%
2024	-0-	-0-	-0-	0.0%
2025	128,501	-0-	128,501	25.5%
2026	39,388	-0-	39,388	7.8%
Thereafter	218,853	-0-	218,853	43.5%
Total Debt Before Unamortized Debt Issuance Cost	456,702	46,945	503,647	100.0%
Unamortized Debt Issuance Cost	(4,135)	(188)	(4,323)	
<b>Total Debt, Net of Unamortized Debt Issuance Costs</b>	<b>\$ 452,567</b>	<b>\$ 46,757</b>	<b>\$ 499,324</b>	

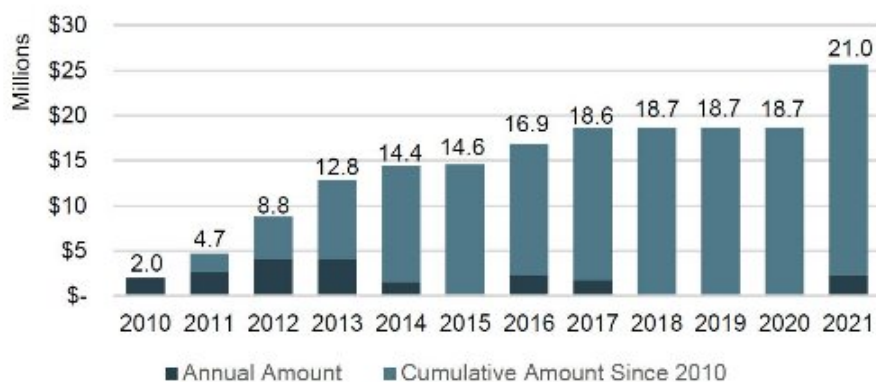
(1) Includes \$25 million balance outstanding on the Company's Line of Credit due November 2022, with an additional one-year option.

**Securities Portfolio Performance**  
(in thousands)

**Dividend Income**



**Net Realized Gains**



Year Ended	Securities Available for Sale	Dividend Income	Net Realized Gain on Sale of Securities	Net Realized Gain on Sale of Securities & Dividend Income
2010	\$ 28,757	\$ 1,763	\$ 2,028	\$ 3,791
2011	43,298	2,512	2,693	5,205
2012	57,325	3,244	4,093	7,337
2013	59,255	3,481	4,056	7,537
2014	63,556	4,066	1,543	5,609
2015	75,011	4,399	204	4,603
2016	108,755	6,636	2,285	8,921
2017	132,964	8,135	1,747	9,882
2018	99,596	10,367	20	10,387
2019	116,186	7,535	-0-	7,535
2020	103,172	5,729	-0-	5,729
2021	113,748	5,098	2,342	7,440
		<b>\$ 62,965</b>	<b>\$ 21,011</b>	<b>\$ 83,976</b>

**Property Summary and Snapshot**  
(unaudited)

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>% Change</u>
Communities	127	124	2.4%
Developed Sites	24,025	23,433	2.5%
Occupied	20,662	19,920	3.7%
Occupancy %	86.0%	85.0%	100 bps
Total Rentals	8,706	8,252	5.5%
Occupied Rentals	8,312	7,810	6.4%
Rental Occupancy %	95.5%	94.6%	90 bps
Monthly Rent Per Site	\$ 480	\$ 461	4.1%
Monthly Rent Per Home Rental Including Site	\$ 824	\$ 790	4.3%

<u>State</u>	<u>Number</u>	<u>Total Acreage</u>	<u>Developed Acreage</u>	<u>Vacant Acreage</u>	<u>Total Sites</u>	<u>Occupied Sites</u>	<u>Occupancy Percentage</u>	<u>Monthly Rent Per Site</u>	<u>Total Rentals</u>	<u>Occupied Rentals</u>	<u>Rental Occupancy Percentage</u>	<u>Monthly Rent Per Home Rental</u>
		(1)		(1)								(2)
Alabama	1	33	33	-0-	195	60	30.8%	\$ 175	36	21	58.3%	\$ 681
Indiana	14	1,105	893	212	3,985	3,476	87.2%	\$ 431	1,715	1,649	96.2%	\$ 817
Maryland	1	77	10	67	62	62	100.0%	\$ 569	-0-	-0-	N/A	N/A
Michigan	3	153	153	-0-	734	625	85.1%	\$ 470	264	246	93.2%	\$ 810
New Jersey	4	349	187	162	1,006	973	96.7%	\$ 686	44	44	100.0%	\$ 1,029
New York	8	674	323	351	1,353	1,154	85.3%	\$ 571	444	427	96.2%	\$ 962
Ohio	37	1,837	1,390	447	6,937	5,887	84.9%	\$ 438	2,576	2,460	95.5%	\$ 788
Pennsylvania	51	2,184	1,821	363	7,780	6,678	85.8%	\$ 502	2,756	2,623	95.2%	\$ 838
South Carolina	1	24	24	-0-	142	62	43.7%	\$ 195	29	22	75.9%	\$ 565
Tennessee	7	544	316	228	1,831	1,685	92.0%	\$ 486	842	820	97.4%	\$ 834
<b>Total as of December 31, 2021</b>	<b>127</b>	<b>6,980</b>	<b>5,150</b>	<b>1,830</b>	<b>24,025</b>	<b>20,662</b>	<b>86.0%</b>	<b>\$ 480</b>	<b>8,706</b>	<b>8,312</b>	<b>95.5%</b>	<b>\$ 824</b>

(1) Total and Vacant Acreage of 220 for the Mountain View Estates property is included in the above summary.

(2) Includes home and site rent charges.



**Same Property Statistics**  
(in thousands) (unaudited)

	For Three Months Ended				For Twelve Months Ended			
	12/31/2021	12/31/2020	Change	% Change	12/31/2021	12/31/2020	Change	% Change
<b>Community Net Operating Income</b>								
Rental and Related								
Income	\$ 39,741	\$ 37,074	\$ 2,667	7.2%	\$ 155,914	\$ 142,398	\$ 13,516	9.5%
Community Operating								
Expenses	15,517	14,878	639	4.3%	62,494	59,856	2,638	4.4%
<b>Community NOI</b>	<b>\$ 24,224</b>	<b>\$ 22,196</b>	<b>\$ 2,028</b>	<b>9.1%</b>	<b>\$ 93,420</b>	<b>\$ 82,542</b>	<b>\$ 10,878</b>	<b>13.2%</b>

	12/31/2021	12/31/2020	Change
Total Sites	23,054	23,024	0.1%
Occupied Sites	20,077	19,664	413 sites, 2.1%
Occupancy %	87.1%	85.4%	170 bps
Number of Properties	122	122	N/A
Total Rentals	8,487	8,131	4.4%
Occupied Rentals	8,132	7,700	5.6%
Rental Occupancy	95.8%	94.7%	110 bps
Monthly Rent Per Site	\$ 484	\$ 462	4.8%
Monthly Rent Per Home Including Site	\$ 825	\$ 791	4.3%

Same Property includes all properties owned as of January 1, 2020, with the exception of Memphis Blues.

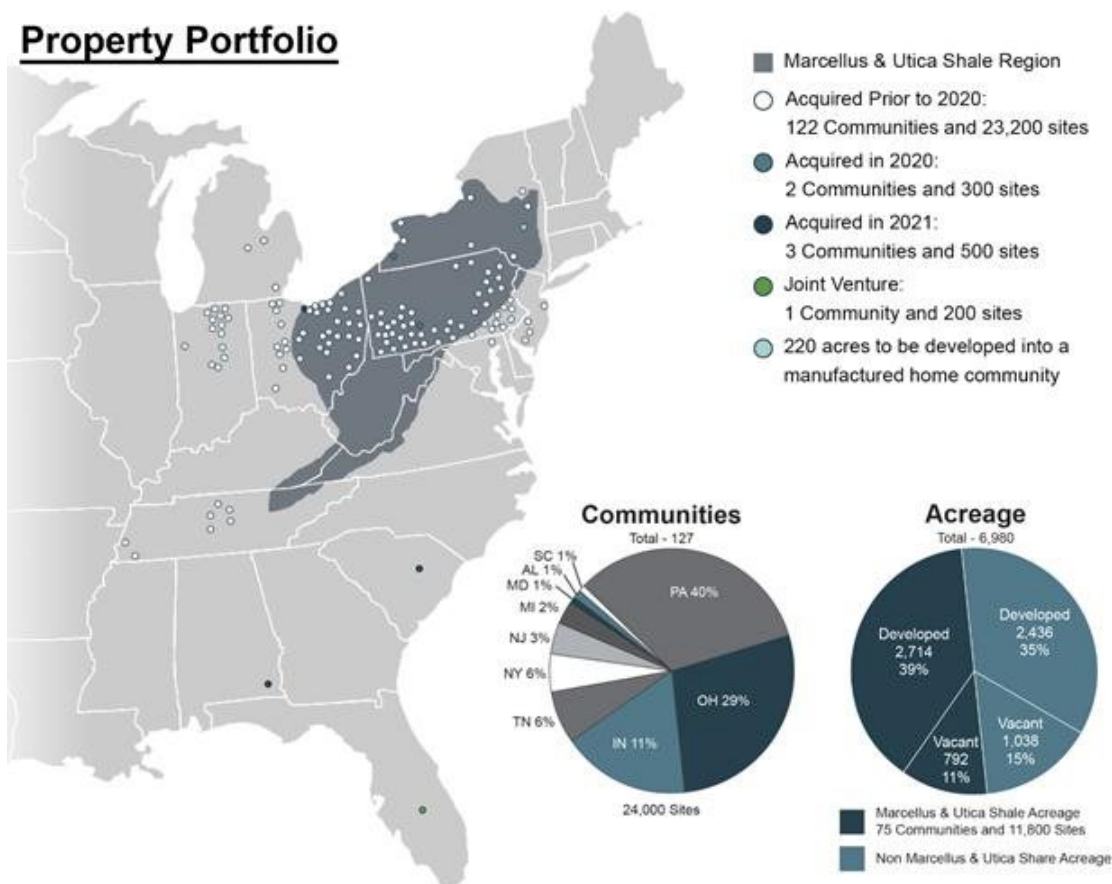
## Acquisitions Summary

(dollars in thousands)

### At Acquisition:

Year of Acquisition	Number of Communities	Sites	Occupied Sites	Occupancy %	Purchase Price	Price Per Site	Total Acres
2018	6	1,615	1,271	79%	\$ 59,093	\$ 37	494
2019	4	1,495	935	62%	\$ 56,237	\$ 38	247
2020	2	310	197	64%	\$ 7,840	\$ 25	48
2021	3	543	319	59%	\$ 18,300	\$ 34	113

## Property Portfolio



### 2021 Acquisitions

Community	Date of Acquisition	State	Number of Sites	Purchase Price	Number of Acres	Occupancy
Deer Run	January 8, 2021	AL	195	\$ 4,555	33	37%
Iris Winds	January 21, 2021	SC	142	3,445	24	49%
Bayshore Estates	June 1, 2021	OH	206	10,300	56	86%
<b>Total as of December 31, 2021</b>			<b>543</b>	<b>\$ 18,300</b>	<b>113</b>	<b>59%</b>

## **Definitions**

Investors and analysts following the real estate industry utilize funds from operations available to common shareholders (“FFO”), normalized funds from operations available to common shareholders (“Normalized FFO”), community NOI, same property NOI, and earnings before interest, taxes, depreciation, amortization and acquisition costs (“Adjusted EBITDA”), variously defined, as supplemental performance measures. While the Company believes net income (loss) available to common shareholders, as defined by accounting principles generally accepted in the United States of America (U.S. GAAP), is the most appropriate measure, it considers Community NOI, Same Property NOI, Adjusted EBITDA, FFO and Normalized FFO, given their wide use by and relevance to investors and analysts, appropriate supplemental performance measures. FFO, reflecting the assumption that real estate asset values rise or fall with market conditions, principally adjusts for the effects of U.S. GAAP depreciation and amortization of real estate assets. FFO also adjusts for the effects of the change in the fair value of marketable securities and gains and losses realized on marketable securities. Normalized FFO reflects the same assumptions as FFO except that it also adjusts for and certain one-time charges. Community NOI and Same Property NOI provides a measure of rental operations and does not factor in depreciation and amortization and non-property specific expenses such as general and administrative expenses. Adjusted EBITDA provides a tool to further evaluate the ability to incur and service debt and to fund dividends and other cash needs. In addition, Community NOI, Same Property NOI, Adjusted EBITDA, FFO and Normalized FFO are commonly used in various ratios, pricing multiples, yields and returns and valuation of calculations used to measure financial position, performance and value.

As used herein, the Company calculates FFO, as defined by The National Association of Real Estate Investment Trusts (“NAREIT”), 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, the change in the fair value of marketable securities, and the gain or loss on the sale of marketable securities plus certain non-cash items such as real estate asset depreciation and amortization. Included in the NAREIT FFO White Paper - 2018 Restatement, is an option pertaining to assets incidental to our main business in the calculation of NAREIT FFO to make an election to include or exclude gains and losses on the sale of these assets, such as marketable equity securities, and include or exclude mark-to-market changes in the value recognized on these marketable equity securities. In conjunction with the adoption of the FFO White Paper - 2018 Restatement, for all periods presented, we have elected to exclude the gains and losses realized on marketable securities and change in the fair value of marketable securities from our FFO calculation. NAREIT created FFO as a non-GAAP supplemental measure of REIT operating performance.

**Normalized FFO** is calculated as FFO excluding certain one-time charges.

**Normalized FFO per Diluted Common Share** is calculated using diluted weighted shares outstanding of 51.1 million and 47.4 million shares for the three and twelve months ended December 31, 2021, respectively, and 42.4 million and 41.7 million shares for the three and twelve months ended December 31, 2020, respectively. Common stock equivalents resulting from stock options in the amount of 1.4 and 1.1 million shares for the three and twelve months ended December 31, 2021, respectively, and 636,000 and 350,000 shares for the three and twelve months ended December 31, 2020, respectively, are included in the diluted weighted shares outstanding. Common stock equivalents for the twelve months ended December 31, 2020, were excluded from the computation of the Diluted Net Income (Loss) per Share as their effect would be anti-dilutive.

**Community NOI** is calculated as rental and related income less community operating expenses such as real estate taxes, repairs and maintenance, community salaries, utilities, insurance and other expenses. Community NOI excludes realized gains (losses) on securities transactions.

**Same Property NOI** is calculated as Community NOI, using all properties owned as of January 1, 2020, with the exception of Memphis Blues.

**Adjusted EBITDA** is calculated as net income (loss) plus interest expense, franchise taxes, depreciation, and the change in the fair value of marketable securities.

**Community NOI, Same Property NOI, Adjusted EBITDA, FFO and Normalized FFO** do not represent cash generated from operating activities in accordance with U.S. GAAP and are not necessarily indicative of cash available to fund cash needs, including the repayment of principal on debt and payment of dividends and distributions. Community NOI, Same Property NOI, Adjusted EBITDA, FFO and Normalized FFO should not be considered as substitutes for net income (loss) applicable to common shareholders (calculated in accordance with U.S. GAAP) as a measure of results of operations, or cash flows (calculated in accordance with U.S. GAAP) as a measure of liquidity. Community NOI, Same Property NOI, Adjusted EBITDA, FFO and Normalized FFO as currently calculated by the Company may not be comparable to similarly titled, but variously calculated, measures of other REITs.

**UMH PROPERTIES, INC. REPORTS RESULTS FOR THE YEAR ENDED AND THE FOURTH QUARTER ENDED DECEMBER 31, 2021**

**FREEHOLD, NJ**, February 24, 2022..... UMH Properties, Inc. (NYSE:UMH) reported Total Income of \$186.1 million for the year ended December 31, 2021 as compared to \$163.6 million for the year ended December 31, 2020, representing an increase of 14%. Total Income for the quarter ended December 31, 2021 was \$46.0 million as compared to \$42.8 million for the quarter ended December 31, 2020, representing an increase of 7%. Net Income Attributable to Common Shareholders amounted to \$21.2 million or \$0.45 per diluted share for the year ended December 31, 2021 as compared to a loss \$29.8 million or \$0.72 per diluted share for the year ended December 31, 2020. Net Income Attributable to Common Shareholders amounted to \$9.4 million or \$0.17 per diluted share for the quarter ended December 31, 2021 as compared to income of \$15.6 million or \$0.38 per diluted share for the quarter ended December 31, 2020.

Funds from Operations Attributable to Common Shareholders ("FFO") was \$39.1 million or \$0.83 per diluted share for the year ended December 31, 2021 as compared to \$26.3 million or \$0.63 per diluted share for the year ended December 31, 2020. FFO was \$10.1 million or \$0.20 per diluted share for the quarter ended December 31, 2021 as compared to \$8.5 million or \$0.20 per diluted share for the quarter ended December 31, 2020. Normalized Funds from Operations Attributable to Common Shareholders ("Normalized FFO"), was \$41.1 million or \$0.87 per diluted share for the year ended December 31, 2021, as compared to \$29.2 million or \$0.70 per diluted share for the year ended December 31, 2020. Normalized FFO was \$11.0 million or \$0.22 per diluted share for the quarter ended December 31, 2021, as compared to \$8.5 million or \$0.20 per diluted share for the quarter ended December 31, 2020.

A summary of significant financial information for the three and twelve months ended December 31, 2021 and 2020 is as follows (*in thousands except per share amounts*):

	For the Three Months Ended December 31,	
	2021	2020
Total Income	\$ 45,978	\$ 42,829
Total Expenses	\$ 37,500	\$ 34,382
Increase in Fair Value of Marketable Securities	\$ 10,932	\$ 17,802
Net Income Attributable to Common Shareholders	\$ 9,410	\$ 15,591
Net Income Attributable to Common Shareholders per Diluted Common Share	\$ 0.17	\$ 0.38
FFO <sup>(1)</sup>	\$ 10,091	\$ 8,544
FFO <sup>(1)</sup> per Diluted Common Share	\$ 0.20	\$ 0.20
Normalized FFO <sup>(1)</sup>	\$ 11,016	\$ 8,544
Normalized FFO <sup>(1)</sup> per Diluted Common Share	\$ 0.22	\$ 0.20
Weighted Average Shares Outstanding	51,128	42,390

	For the Twelve Months Ended December 31,	
	2021	2020
Total Income	\$ 186,099	\$ 163,609
Total Expenses	\$ 152,163	\$ 135,296
Increase (Decrease) in Fair Value of Marketable Securities	\$ 25,052	\$ (14,119)
Net Income (Loss) Attributable to Common Shareholders	\$ 21,249	\$ (29,759)
Net Income (Loss) Attributable to Common Shareholders per Diluted Common Share	\$ 0.45	\$ (0.72)
FFO <sup>(1)</sup>	\$ 39,149	\$ 26,283
FFO <sup>(1)</sup> per Diluted Common Share	\$ 0.83	\$ 0.63
Normalized FFO <sup>(1)</sup>	\$ 41,144	\$ 29,154
Normalized FFO <sup>(1)</sup> per Diluted Common Share	\$ 0.87	\$ 0.70
Weighted Average Shares Outstanding	47,432	41,395

A summary of significant balance sheet information as of December 31, 2021 and 2020 is as follows (*in thousands*):

	December 31, 2021	December 31, 2020
Gross Real Estate Investments	\$ 1,205,091	\$ 1,108,483
Marketable Securities at Fair Value	\$ 113,748	\$ 103,172
Total Assets	\$ 1,270,820	\$ 1,089,413
Mortgages Payable, net	\$ 452,567	\$ 471,477
Loans Payable, net	\$ 46,757	\$ 17,296
Total Shareholders' Equity	\$ 742,140	\$ 501,808

Samuel A. Landy, President and CEO, commented on the 2021 results.

“UMH continues to execute on our long-term business plan which has resulted in an all-time high stock price with ample growth opportunities. Our accomplishments during the year include:

- Increased Rental and Related Income by 11%;
- Increased Community Net Operating Income (“NOI”) by 13%;
- Increased Normalized Funds from Operations (“Normalized FFO”) by 41% and Normalized FFO per share by 24%;
- Improved our Operating Expense ratio by 130 basis points to 42.8%;
- Increased Same Property NOI by 13%;
- Increased Same Property Occupancy by 413 sites from 85.4% to 87.1% or 170 basis points;
- Increased our rental home portfolio by 454 homes to approximately 8,700 total rental homes, representing an increase of 6%;
- Increased rental home occupancy by 90 basis points from 94.6% to 95.5%;
- Increased Sales of Manufactured Homes by 34%;
- Acquired three communities containing approximately 543 homesites for a total cost of approximately \$18.3 million (in addition to one community acquired in December 2021 by our joint venture with Nuveen Real Estate);
- Increased our Total Market Capitalization by 50% to \$2.4 billion at yearend;
- Increased our Equity Market Capitalization by 127% to \$1.4 billion at yearend;
- Reduced our Net Debt to Total Market Capitalization from 34% at 2020 to 16% at 2021;
- Issued and sold approximately 8.2 million shares of Common Stock through At-the-Market Sale Programs for our Common Stock at a weighted average price of \$22.14 per share, generating gross proceeds of \$182.0 million and net proceeds of \$179.1 million, after offering expenses;

- Issued and sold, through an At-the-Market Sale Program for our Preferred Stock, 2.2 million shares of Series D Preferred Stock at a weighted average price of \$24.89 per share, generating total gross proceeds of \$54.1 million and total net proceeds of \$53.2 million, after offering expenses; and
- Entered into a joint venture with Nuveen Real Estate, a TIAA company, for the purpose of development or acquisition of new manufactured housing communities, with an initial capital commitment by the joint venture partners of at least \$70 million and potentially up to \$170 million, 60% of which would be provided by Nuveen Real Estate and 40% of which would be provided by the Company. The joint venture acquired one community, containing approximately 219 developed home sites, for a total purchase price of \$22.2 million.”

“2021 was an exceptional year for UMH. Our community level operations are stronger than ever before. Our community drone videos are available on our website. They are a great resource for shareholders that effectively exhibit the high quality portfolio that we own. They also demonstrate our residents and employees pride in their homes and their communities. It’s part of the reason we maintain 96% rental home occupancy and continue to grow our business. We have a proven business plan that continues to generate industry leading same property operating results, growing sales and robust FFO growth.”

“Demand for affordable housing at our communities remains strong as demonstrated by our strong same property and sales results. Same property income increased by 9.5% and same property NOI increased by 13.2%. This was driven by rental rate increases of 4.8% and an occupancy increase of 170 basis points or 413 sites. Home sales improved by 34% year over year and generated a sales profit of approximately \$2 million as compared to \$770,000 last year. We can continue to generate similar results organically by filling our 3,400 vacant sites and developing our 1,830 acres of vacant land.”

“During the year, we acquired three communities containing approximately 543 developed homesites for an aggregate cost of \$18.3 million. We also entered into a joint venture with Nuveen Real Estate for the acquisition and development of new manufactured housing communities. This joint venture acquired one newly developed community in Florida containing 219 sites.”

“Subsequent to year end, we sold \$102.7 million of 4.72% unsecured bonds in Israel. This capital, as well as capital raised through our ATM and other sources, will be used to redeem our \$247 million 6.75% Series C preferred stock in July of 2022. In January of 2023, we can redeem our \$215 million 6.375% Series D preferred stock. These transactions will drive incremental FFO growth. We are well positioned to execute on both of these redemptions.”

“Our results and future growth prospects allowed us to raise our dividend for two consecutive years. We believe we are on track for continued dividend growth in the future. We look forward to continuing to execute on our business plan and building long-term value for our dedicated shareholders.”

UMH Properties, Inc. will host its Fourth Quarter and Year Ended December 31, 2021 Financial Results Webcast and Conference Call. Senior management will discuss the results, current market conditions and future outlook on Friday, February 25, 2022 at 10:00 a.m. Eastern Time.

The Company’s fourth quarter and year ended December 31, 2021 financial results being released herein will be available on the Company’s website at [www.umh.reit](http://www.umh.reit) in the “Financials” section.

To participate in the webcast, select the microphone icon found on the homepage [www.umh.reit](http://www.umh.reit) to access the call. Interested parties can also participate via conference call by calling toll free 844-200-6205 (domestically) or 929-526-1599 (internationally).

The replay of the conference call will be available at 12:00 p.m. Eastern Time on Friday, February 25, 2022 and can be accessed by dialing toll free 866-813-9403 (domestically) and +44 204-525-0658 (internationally) and entering the passcode 412561. A transcript of the call and the webcast replay will be available at the Company’s website, [www.umh.reit](http://www.umh.reit).

UMH Properties, Inc., which was organized in 1968, is a public equity REIT that owns and operates 127 manufactured home communities containing approximately 24,000 developed homesites. These communities are located in New Jersey, New York, Ohio, Pennsylvania, Tennessee, Indiana, Michigan, Maryland, Alabama and South Carolina. UMH also has an ownership interest in and operates one community in Florida, containing 219 sites, through its joint venture with Nuveen Real Estate.

Certain statements included in this press release which are not historical facts may be deemed forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any such forward-looking statements are based on the Company's current expectations and involve various risks and uncertainties. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can provide no assurance those expectations will be achieved. The risks and uncertainties that could cause actual results or events to differ materially from expectations are contained in the Company's annual report on Form 10-K and described from time to time in the Company's other filings with the SEC. The Company undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.

Note:

- (1) Non-GAAP Information: We assess and measure our overall operating results based upon an industry performance measure referred to as Funds from Operations Attributable to Common Shareholders ("FFO"), which management believes is a useful indicator of our operating performance. FFO is used by industry analysts and investors as a supplemental operating performance measure of a REIT. FFO, as defined by The National Association of Real Estate Investment Trusts ("NAREIT"), represents net income (loss) attributable to common shareholders, as defined by accounting principles generally accepted in the United States of America ("U.S. GAAP"), excluding extraordinary items, as defined under U.S. GAAP, gains or losses from sales of previously depreciated real estate assets, impairment charges related to depreciable real estate assets, and the change in the fair value of marketable securities plus certain non-cash items such as real estate asset depreciation and amortization. Included in the NAREIT FFO White Paper - 2018 Restatement, is an option pertaining to assets incidental to our main business in the calculation of NAREIT FFO to make an election to include or exclude gains and losses on the sale of these assets, such as marketable equity securities, and include or exclude mark-to-market changes in the value recognized on these marketable equity securities. In conjunction with the adoption of the FFO White Paper - 2018 Restatement, for all periods presented, we have elected to exclude the change in the fair value of marketable securities from our FFO calculation. Prior to the adoption of the FFO White Paper - 2018 Restatement, we utilized Core Funds from Operations (Core FFO), which we defined as FFO, excluding the change in the fair value of marketable securities. NAREIT created FFO as a non-U.S. GAAP supplemental measure of REIT operating performance. We define Normalized Funds from Operations Attributable to Common Shareholders ("Normalized FFO"), as FFO, excluding gains and losses realized on marketable securities investments and certain one-time charges. FFO and Normalized FFO should be considered as supplemental measures of operating performance used by REITs. FFO and Normalized FFO exclude historical cost depreciation as an expense and may facilitate the comparison of REITs which have a different cost basis. However, other REITs may use different methodologies to calculate FFO and Normalized FFO and, accordingly, our FFO and Normalized FFO may not be comparable to all other REITs. The items excluded from FFO and Normalized FFO are significant components in understanding the Company's financial performance.

FFO and Normalized FFO (i) do not represent Cash Flow from Operations as defined by U.S. GAAP; (ii) should not be considered as alternatives to net income (loss) as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) are not alternatives to cash flow as a measure of liquidity.

The reconciliation of the Company's U.S. GAAP net income (loss) to the Company's FFO and Normalized FFO for the three and twelve months ended December 31, 2021 and 2020 are calculated as follows (*in thousands except footnotes*):

	Three Months Ended		Twelve Months Ended	
	12/31/21	12/31/20	12/31/21	12/31/20
Net Income (Loss) Attributable to Common Shareholders	\$ 9,410	\$ 15,591	\$ 21,249	\$ (29,759)
Depreciation Expense	11,552	10,716	45,124	41,707
Loss on Sales of Property and Equipment	61	39	170	216
(Increase) Decrease in Fair Value of Marketable Securities	(10,932)	(17,802)	(25,052)	14,119
Gain on Sales of Marketable Securities, net	-0-	-0-	(2,342)	
<b>FFO Attributable to Common Shareholders</b>	<b>10,091</b>	<b>8,544</b>	<b>39,149</b>	<b>26,283</b>
Redemption of Preferred Stock	-0-	-0-	-0-	2,871
Non-Recurring Other Expense <sup>(1)</sup>	925	-0-	1,995	-0-
<b>Normalized FFO Attributable to Common Shareholders</b>	<b>\$ 11,016</b>	<b>\$ 8,544</b>	<b>\$ 41,144</b>	<b>\$ 29,154</b>

(1) Consists of special bonus and restricted stock grants for the August 2020 groundbreaking Fannie Mae financing, which is being expensed over the vesting period (\$1.8 million) and non-recurring expenses for the joint venture (\$171,000) in 2021.

The diluted weighted shares outstanding used in the calculation of FFO per Diluted Common Share and Normalized FFO per Diluted Common Share were 51.1 million and 47.4 million shares for the three and twelve months ended December 31, 2021, respectively, and 42.4 million and 41.7 million shares for the three and twelve months ended December 31, 2020, respectively. Common stock equivalents resulting from stock options in the amount of 1.4 million and 1.1 million shares for the three and twelve months ended December 31, 2021, respectively, and 636,000 and 350,000 shares for the three and twelve months ended December 31, 2020, respectively, are included in the diluted weighted shares outstanding. Common stock equivalents for the twelve months ended December 31, 2020 were excluded from the computation of the Diluted Net Income (Loss) per Share as their effect would be anti-dilutive.

The following are the cash flows provided (used) by operating, investing and financing activities for the twelve months ended December 31, 2021 and 2020 (*in thousands*):

	2021	2020
Operating Activities	\$ 65,163	\$ 66,839
Investing Activities	(94,364)	(103,770)
Financing Activities	125,634	46,528

####

