UMH PROPERTIES, INC.
Form 10-Q
August 06, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(x)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2009

( )

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to ___________

Commission File Number 001-12690

UMH PROPERTIES, INC.

(Exact name of registrant as specified in its charter)

Maryland	22-1890929
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer identification number)

Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, NJ 07728

(Address of Principal Executive 0ffices) (Zip Code)

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

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes __X__ No ____

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ____ No__X__

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer

____

Accelerated filer

___X

__

Non-accelerated filer

____

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes _____

No __X

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The number of shares outstanding of issuer's common stock as of August 3, 2009 was 11,429,108 shares.

1

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2

UMH PROPERTIES, INC.

CONSOLIDATED BALANCE SHEETS

AS OF JUNE 30, 2009 AND DECEMBER 31, 2008

	June 30, 2009 (Unaudited)	December 31, 2008
- ASSETS -		
INVESTMENT PROPERTY AND EQUIPMENT		
Land	$ 13,300,614	$ 13,300,614
Site and Land Improvements	89,355,553	88,926,418
Buildings and Improvements	3,996,288	3,990,275
Rental Homes and Accessories	16,729,442	15,814,192
Total Investment Property	123,381,897	122,031,499
Equipment and Vehicles	7,502,050	7,487,571
Total Investment Property and Equipment	130,883,947	129,519,070
Accumulated Depreciation	(54,990,031)	(53,111,822)
Net Investment Property and Equipment	75,893,916	76,407,248
OTHER ASSETS		
Cash and Cash Equivalents	4,810,207	2,783,250
Securities Available for Sale	22,913,621	21,575,072
Inventory of Manufactured Homes	8,077,175	9,459,924
Notes and Other Receivables, net	21,890,052	22,597,670
Unamortized Financing Costs	682,333	670,783
Prepaid Expenses	426,507	479,363
Land Development Costs	4,445,858	3,966,015
Total Other Assets	63,245,753	61,532,077
TOTAL ASSETS	$139,139,669	$137,939,325
- LIABILITIES AND SHAREHOLDERS EQUITY -		
LIABILITIES:		
MORTGAGES PAYABLE	$ 69,050,673	$ 65,952,895
OTHER LIABILITIES		
Accounts Payable	343,811	614,252
Loans Payable	22,184,709	23,611,574
Accrued Liabilities and Deposits	2,722,835	2,507,751

Tenant Security Deposits	564,673	531,153
Total Other Liabilities	25,816,028	27,264,730
Total Liabilities	94,866,701	93,217,625
SHAREHOLDERS EQUITY:		
Common Stock - $.10 par value per share, 20,000,000 shares authorized; 11,338,669 and 11,021,734 shares issued and outstanding as of June 30, 2009 and December 31, 2008, respectively	1,133,867	1,102,173
Excess Stock - $.10 par value per share, 3,000,000 shares authorized; no shares issued or outstanding	-0-	-0-
Additional Paid-In Capital	52,040,260	49,958,681
Accumulated Other Comprehensive Loss	(4,308,842)	(5,671,361)
Accumulated Deficit	(4,592,317)	(667,793)
Total Shareholders Equity	44,272,968	44,721,700
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	$139,139,669	$137,939,325

See Accompanying Notes to Consolidated Financial Statements

UMH PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

FOR THE THREE AND SIX MONTHS ENDED

JUNE 30, 2009 AND 2008

	THREE MONTHS		SIX MONTHS	
	2009	2008	2009	2008
REVENUES:				
Rental and Related Income	$6,624,530	$6,362,034	$13,181,029	$12,616,604
Sales of Manufactured Homes	1,494,118	2,881,014	2,579,918	4,665,057
Interest and Dividend Income	1,198,074	1,129,477	2,233,336	2,020,906
(Loss) Gain on Securities Transactions, net	(169,480)	55,023	(2,450,065)	(595,537)
Other Income	22,120	31,448	31,009	67,506
Total Revenues	9,169,362	10,458,996	15,575,227	18,774,536
EXPENSES:				
Community Operating Expenses	3,232,626	3,396,383	6,443,312	6,578,559
Cost of Sales of Manufactured Homes	1,426,536	2,419,512	2,428,775	3,904,477
Selling Expenses	292,629	302,732	616,259	711,177
General and Administrative Expenses	817,175	911,541	1,598,813	1,897,428
Interest Expense	1,135,033	886,201	2,230,294	2,386,859
Depreciation Expense	1,021,354	1,017,795	2,052,228	2,032,545
Amortization of Financing Costs	54,970	38,371	103,840	77,815
Total Expenses	7,980,323	8,972,535	15,473,521	17,588,860
Income before (Loss) Gain on Sales of				
Investment Property and Equipment	1,189,039	1,486,461	101,706	1,185,676
	(10,477)	24,613	(21,980)	20,358

(Loss) Gain on Sales of Investment				
Property and Equipment				
Net Income	$1,178,562	$1,511,074	$79,726	$1,206,034
Net Income per Share -				
Basic	$0.11	$0.14	$0.01	$0.11
Diluted	$0.11	$0.14	$0.01	$0.11
Weighted Average Shares Outstanding -				
Basic	11,219,844	10,855,788	11,138,054	10,811,604
Diluted	11,227,560	10,855,788	11,143,182	10,811,604

-UNAUDITED-

See Accompanying Notes to Consolidated Financial Statements

UMH PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED

JUNE 30, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$79,726	$1,206,034
Non-Cash Adjustments:		
Depreciation	2,052,228	2,032,545
Amortization of Financing Costs	103,840	77,815
Stock Compensation Expense	14,278	51,834
Increase in Provision for Uncollectible Notes and Other Receivables	177,000	146,700
Loss on Securities Transactions, net	2,450,065	595,537
Loss (Gain) on Sales of Investment Property and Equipment	21,980	(20,358)
Changes in Operating Assets and Liabilities:		
Inventory of Manufactured Homes	1,382,749	1,354,264
Notes and Other Receivables	530,618	(829,520)
Prepaid Expenses	52,856	84,629
Accounts Payable	(270,441)	369,506
Accrued Liabilities and Deposits	215,084	(57,100)
Tenant Security Deposits	33,520	31,734
Net Cash Provided by Operating Activities	6,843,503	5,043,620
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investment Property and Equipment	(1,789,905)	(2,735,405)
Proceeds from Sales of Assets	229,029	332,858
Additions to Land Development	(479,843)	(1,519,302)
Purchase of Securities Available for Sale	(3,129,902)	(3,961,484)
Settlement of Futures Transactions	-0-	(304,088)
Net Proceeds from Sales of Securities Available for Sale	703,807	210,768
Net Cash Used in Investing Activities	(4,466,814)	(7,976,653)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Mortgages and Loans	4,000,000	13,700,000

Principal Payments of Mortgages and Loans	(2,329,087)	(7,196,625)
Financing Costs on Debt	(115,390)	(202,914)
Proceeds from Issuance of Common Stock, net of amount reinvested	1,542,439	846,726
Dividends Paid, net of amount reinvested	(3,447,694)	(3,971,917)
Net Cash Provided by (Used in) Financing Activities	(349,732)	3,175,270
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,026,957	242,237
CASH & CASH EQUIVALENTS-BEGINNING	2,783,250	2,221,976
CASH & CASH EQUIVALENTS-ENDING	$4,810,207	$2,464,213

-UNAUDITED-

See Accompanying Notes to Consolidated Financial Statements

UMH PROPERTIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2009 (UNAUDITED)

NOTE 1 ORGANIZATION AND ACCOUNTING POLICIES

UMH Properties, Inc. (the Company) owns and operates twenty-eight manufactured home communities containing approximately 6,800 sites. The communities are located in New Jersey, New York, Ohio, Pennsylvania and Tennessee. The Company, through its wholly-owned taxable subsidiary, UMH Sales and Finance, Inc. (S&F), conducts manufactured home sales in its communities. This company was established to enhance the occupancy of the communities. The consolidated financial statements of the Company include S&F and all of its other wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

The Company has elected to be taxed as a real estate investment trust (REIT) under Sections 856-860 of the Internal Revenue Code (the Code), and intends to maintain its qualification as a REIT in the future. As a qualified REIT, with limited exceptions, the Company will not be taxed under Federal and certain state income tax laws at the corporate level on taxable income that it distributes to its shareholders. For special tax provisions applicable to REITs, refer to Sections 856-860 of the Code. The Company is subject to franchise taxes in some of the states in which the Company owns property.

The interim consolidated financial statements furnished herein have been prepared in accordance with generally accepted accounting principles for interim financial information, the instructions to Form 10-Q, and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six months ended June 30, 2009 are not necessarily indicative of the results that may be expected for the year ended December 31, 2009. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company s annual report on Form 10-K for the year ended December 31, 2008.

Use of Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as contingent assets and liabilities as of the dates of the consolidated balance sheets and revenue and expenses for the periods then ended. Actual results could differ significantly from these estimates and assumptions.

Employee Stock Options

The Company accounts for its stock option plan under the provisions of SFAS No. 123 (revised 2004), Share-Based Payment (SFAS 123R). SFAS 123R requires that compensation cost for all stock awards be calculated and recognized over the service period (generally equal to

6

the vesting period). This compensation cost is determined using option pricing models, intended to estimate the fair value of the awards at the grant date.

Compensation cost which has been determined consistent with SFAS No. 123R, amounted to $7,203 and $14,278 for the three and six months ended June 30, 2009, respectively, and $25,917 and $51,834 for the three and six months ended June 30, 2008, respectively.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in the following years:

	2009	2008
Dividend yield	9.25%	7.48%
Expected volatility	21.14%	18.66%
Risk-free interest rate	2.62%	3.47%
Expected lives	8	8

The weighted-average fair value of options granted during the six months ended June 30, 2009 and 2008 was $0.27 and $0.65, respectively.

During the six months ended June 30, 2009, the following stock options were granted:

Date of Grant	Number of Employees	Number of Shares	Exercise Price	Expiration Date
1/7/09	1	14,000	$7.12	1/7/17
1/7/09	1	61,000	6.47	1/7/17
3/3/09	1	3,000	5.42	3/3/17
6/22/09	15	60,000	7.57	6/22/17

As of June 30, 2009, there were options outstanding to purchase 664,000 shares and 862,188 shares were available for grant under the Company s 2003 Stock Option Plan. As of June 30, 2008, there were options outstanding to purchase 476,000 shares and 1,050,188 shares were available for grant under the Company s 2003 Stock Option Plan.

Subsequent Events

The Company has evaluated subsequent events through August 5, 2009, and has determined that there were no subsequent events or transactions which would require recognition or disclosure in the consolidated financial statements.

Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board (FASB) issued SFAS No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (SFAS 168). SFAS 168 establishes the FASB Accounting Standards Codification (Codification), which officially launched July 1, 2009, to become the source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. The subsequent issuances of new standards will be in the form of Accounting Standards Updates that will be included in the Codification. Generally, the Codification is not expected to change U.S. GAAP. All other accounting literature excluded from the Codification will be considered nonauthoritative. SFAS 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. We will adopt SFAS 168 for our quarter ending September 30, 2009. We are currently evaluating the effect on our financial statement disclosures as all future references to authoritative accounting literature will be references in accordance with the Codification.

In May 2009, the FASB issued SFAS No. 165, Subsequent Events (SFAS 165). SFAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. SFAS 165 requires an entity to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet. For unrecognized subsequent events that must be disclosed to keep the financial statements from being misleading, an entity will be required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. In addition, SFAS 165 requires an entity to disclose the date through which subsequent events have been evaluated. SFAS 165 is effective for the interim or annual financial periods ending after June 15, 2009. The Company adopted SFAS 165 effective for the quarter ended June 30, 2009. The adoption of this statement did not have a material effect on our financial condition or results of operations.

In April 2009, the FASB issued three FASB Staff Positions (FSPs) that are intended to provide additional application guidance and enhance disclosures about fair value measurements and impairments of securities. FSP No. 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly (FSP 157-4), clarifies the objective and method of fair value measurement even when there has been a significant decrease in market activity for the asset being measured. FSP No. 115-2 and FSP No. 124-2, Recognition and Presentation of Other-Than-Temporary Impairments (FSP 115-2 and FSP 124-2), establish a new model for measuring other-than-temporary impairments for debt securities, including criteria for when to recognize a write-down through earnings versus other comprehensive income. FSP No. 107-1 and APB 28-1, Interim Disclosures About Fair Value of Financial Instruments, expand the fair value disclosures required for all financial instruments within the scope of SFAS No. 107, Disclosures about Fair Value of Financial Instruments (FSP 107-1 and APB 28-1), to interim periods. All of these FSPs are effective for interim and annual periods ending after June 15, 2009. The Company adopted these FSPs effective for the quarter ended June 30, 2009. The adoption of these FSPs did not have a material effect on

8

our financial condition or results of operations. However, adoption of FSP 107-1 and APB 28-1 during the quarter ended June 30, 2009 resulted in increased disclosures in our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141R, Business Combinations (SFAS 141R) and SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements An Amendment of ARB No. 51 (SFAS 160). SFAS 141R and SFAS 160 require most identifiable assets, liabilities, noncontrolling interests and goodwill acquired in a business combination to be recorded at full fair value and require noncontrolling interests (previously referred to as minority interests) to be reported as a component of equity, which changes the accounting for transactions with noncontrolling interest holders. The provisions of SFAS 141R and SFAS 160 are effective for our fiscal year beginning January 1, 2009. SFAS 141R will be applied to business combinations occurring after the effective date and SFAS 160 will be applied prospectively to all changes in noncontrolling interests, including any that existed at the effective date. The Company adopted SFAS 141R and SFAS 160 effective January 1, 2009. The adoption of these statements did not have a material effect on our financial condition or results of operations.

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133 (SFAS 161). SFAS 161 requires enhanced disclosures about (a) how and why derivative instruments are used, (b) how derivative instruments and related hedged items are accounted for and (c) how derivative instruments and related hedged items affect an entity s financial position, financial performance and cash flows. SFAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The Company adopted SFAS 161 effective January 1, 2009. The adoption of this statement did not have a material effect on our financial condition or results of operations.

NOTE 2 NET INCOME PER SHARE AND COMPREHENSIVE INCOME (LOSS)

Basic net income per share is calculated by dividing net income by the weighted average shares outstanding for the period. Diluted net income per share is calculated by dividing net income by the weighted average number of common shares outstanding plus the weighted average number of net shares that would be issued upon exercise of stock options pursuant to the treasury stock method.

Options in the amount of 7,716 and 5,128 shares for the three and six months ended June 30, 2009, respectively are included in the diluted weighted average shares outstanding. No options were included for the three and six months ended June 30, 2008, since they were antidilutive. As of June 30, 2009 and 2008, options to purchase 600,000 and 476,000 shares, respectively, were antidilutive.

9

The following table sets forth the components of the Company s comprehensive income (loss) for the three and six months ended June 30, 2009 and 2008:

	Three Months		Six Months	
	2009	2008	2009	2008
Net Income	$1,178,562	$1,511,074	$79,726	$1,206,034
Change in unrealized loss on securities available for sale	681,134	(2,928,588)	1,362,519	(3,066,277)
Comprehensive Income (Loss)	$1,859,696	($1,417,514)	$1,442,245	($1,860,243)

NOTE 3 SECURITIES AVAILABLE FOR SALE

As of June 30, 2009, the Company had twenty-seven securities that were temporarily impaired. The Company considers many factors in determining whether a security is other than temporarily impaired, including the nature of the security and the cause, severity and duration of the impairment. The following is a summary of temporarily impaired securities at June 30, 2009:

	Less Than 12 Months		12 Months or Longer	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Preferred Stock	$2,568,843	$224,718	$877,120	$443,138
Common Stock	1,372,986	624,299	9,013,459	3,727,865
Total				

The following is a summary of the range of the losses:

Number of Individual Securities	Fair Value	Unrealized Loss	Range of Loss
12	$2,445,173	$125,478	Less than or equal to 10%
2	322,240	55,820	Less than or equal to 20%
3*	9,264,999	3,819,426	Less than or equal to 30%
3	1,500,596	790,992	Less than or equal to 40%
2	299,400	228,304	Less than or equal to 50%
22			

* Includes common stock of Monmouth Real Estate Investment Corporation, a related entity, with a fair value of $9,013,459 and an unrealized loss of $3,727,865.

The Company has determined that these securities are temporarily impaired as of June 30,

10

2009. The Company normally holds REIT securities long term and has the ability and intent to hold securities to recovery.

The following table summarizes the Company s (loss) gain on securities transactions, net for the three and six months ended June 30, 2009 and 2008:

	Three Months		Six Months	
	2009	2008	2009	2008
(Loss) gain on sale of securities, net	$-0-	$10,951	($556,751)	$10,951
Gain (loss) on open and settled futures contracts	-0-	346,472	-0-	(304,088)
Impairment losses	(169,480)	(302,400)	(1,893,314)	(302,400)
(Loss) gain on securities transactions, net	($169,480)	$55,023	($2,450,065)	($595,537)

During the three months ended June 30, 2009 and 2008, the Company recognized non-cash impairment losses of $169,480 and $302,400, respectively. During the six months ended June 30, 2009 and 2008, the Company recognized non-cash impairment losses of $1,893,314 and $302,400, respectively. These impairment losses were due to the write-down of the carrying value of securities which were considered other than temporarily impaired. The Company also recognized a loss of $-0- and $556,751, respectively on securities sold.

NOTE 4 DERIVATIVE INSTRUMENTS

The Company invested in futures contracts on ten-year Treasury notes with the objective of reducing the exposure of the debt securities portfolio to market rate fluctuations. In May 2008, we settled our position in these futures contracts and no longer invest in them. The notional amount of these contracts amounted to $9,000,000 at March 31, 2008. Changes in the market value of these derivatives have been recorded in gain (loss) on securities available for sale transactions, net with corresponding amounts recorded in other assets or other liabilities on the balance sheet. During the three and six months ended June 30, 2008, the Company recorded a realized gain (loss) of $346,472 and ($304,088), respectively, on open and settled futures contracts. These gains (losses) are included in loss on securities transactions, net.

The Company had entered into various interest rate swap agreements to effectively convert a portion of its variable rate debt to fixed rate debt. Changes in the fair value of these agreements have been recorded as an increase or deduction from interest expense with corresponding amounts in other assets or other liabilities. The change in the fair value of these agreements for the three and six months ended June 30, 2009 amounted to $95,623 and 172,744, respectively, and has been recorded as a deduction from interest expense. The change in the fair value of these agreements for the three and six months ended June 30, 2008 amounted to $214,199 and ($134,341), respectively, and has been recorded as a deduction from (addition to) interest expense. The fair value of these agreements at June 30, 2009 and December 31, 2008 amounted to liabilities of $218,190 and $390,934, respectively, which have been included in accrued liabilities and deposits.

NOTE 5 LOANS AND MORTGAGES PAYABLE

During the six months ended June 30, 2009, the Company extended its mortgage on Sandy Valley Estates to May 1, 2010. Interest is variable at LIBOR plus 4.5%. Interest at June 30, 2009 was approximately 4.8%.

On May 28, 2009, the Company obtained a $4,000,000 mortgage on Weatherly Estates from Clayton Bank. This mortgage payable is due on May 28, 2014 with interest at prime plus 2%, but not less than 7% nor more than 14%. Proceeds from this mortgage were primarily used to pay down our margin loans.

NOTE 6 SHAREHOLDERS EQUITY

On June 30, 2009, the Company paid $2,017,810, of which $281,301 was reinvested, as a dividend of $.18 per share to shareholders of record as of June 1, 2009. Total dividends paid for the six months ended June 30, 2009 amounted to $4,004,250, of which $556,556 was reinvested. On August 5, 2009, the Company declared a dividend of $.18 per share to be paid on September 15, 2009 to shareholders of record, August 17, 2009.

During the six months ended June 30, 2009, the Company received, including dividends reinvested, a total of $2,098,995 from the Dividend Reinvestment and Stock Purchase Plan. There were 316,935 new shares issued under the Plan.

On June 23, 2009, the board of directors renewed its approval of a Share Repurchase Program (the repurchase program) that authorizes the Company to purchase up to $10,000,000 in the aggregate of the Company's common stock. The Board of Directors initially approved the repurchase program on June 17, 2008. The repurchase program is intended to be implemented through purchases made from time to time using a variety of methods, which may include open market purchases, privately negotiated transactions or block trades, or by any combination of such methods, in accordance with applicable insider trading and other securities laws and regulations. The size, scope and timing of any purchases will be based on business, market and other conditions and factors, including price, regulatory and contractual requirements or consents, and capital availability. The repurchase program does not require the Company to acquire any particular amount of common stock, and the program may be suspended, modified or discontinued at any time at the Company's discretion without prior notice. Shares of stock repurchased under the program will be held as treasury shares. As of June 30, 2009, there have been no shares repurchased under this program.

NOTE 7 - FAIR VALUE MEASUREMENTS

On January 1, 2008, the Company adopted SFAS No. 157, Fair Value Measurements (SFAS No. 157), for financial assets and liabilities recognized at fair value on a recurring basis. We measure certain financial assets and liabilities at fair value on a recurring basis, including securities available for sale and interest rate swap agreements. The fair value of these certain financial assets and liabilities was determined using the following inputs at June 30, 2009:

		Fair Value Measurements at Reporting Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Securities available for sale	$22,913,621	$17,913,621	$5,000,000	$ -0-
Interest rate swaps (1)	(218,190)	-0-	(218,190)	-0-
	$22,695,431	$17,913,621	$4,781,810	$ -0-

(1)

Included in accrued liabilities and deposits.

The Company is also required to disclose certain information about fair values of financial instruments, as defined in FSP 107-1 and APB 28-I Interim Disclosures about Fair Value of Financial Instruments .

Estimates of fair value are made at a specific point in time, based upon, where available, relevant market prices and information about the financial instrument. Such estimates do not include any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Almost all of the Company s securities available for sale have quoted market prices. However, for a portion of the Company's other financial instruments, no quoted market value exists. Therefore, estimates of fair value are necessarily based on a number of significant assumptions (many of which involve events outside the control of management). Such assumptions include assessments of current economic conditions, perceived risks associated with these financial instruments and their counterparties, future expected loss experience and other factors. Given the uncertainties surrounding these assumptions, the reported fair values represent estimates only and, therefore, cannot be compared to the historical accounting model. Use of different assumptions or methodologies is likely to result in significantly different fair value estimates.

The fair value of cash and cash equivalents and notes receivables approximates their current carrying amounts since all such items are short-term in nature. The fair value of securities available for sale is primarily based upon quoted market values. The fair value of variable rate mortgages payable and loans payable approximate their current carrying amounts since such amounts payable are at approximately a weighted-average current market rate of interest. As of June 30, 2009, the fair and carrying value of fixed rate mortgages payable amounted to $46,690,474 and $47,509,846, respectively. The fair value of mortgages payable is based upon discounted cash flows at current market rates for instruments with similar remaining terms.

NOTE 8 RELATED PARTY TRANSACTIONS AND OTHER MATTERS

Effective January 1, 2009, the Company and Samuel A. Landy entered into a new three-year Employment Agreement under which Mr. Samuel Landy receives an annual base salary of $300,000 for 2009, $315,000 for 2010 and $330,000 for 2011, subject to increases in Funds from Operations (FFO) of 3% per year or 9% over the three-year period. If this increase is not met, the salary increase will be limited to the increase in the consumer price index. Bonuses are based on performance goals relating to FFO, home sales, occupancy and acquisitions, with a maximum of 21% of salary. Mr. Samuel Landy will also receive stock options to purchase 75,000 shares in January 2009 and 25,000 shares in January 2010. Mr. Samuel Landy will receive customary fringe benefits, four weeks vacation, reimbursement of reasonable and necessary business expenses and use of an automobile. The Company will reimburse Mr. Samuel Landy for the cost of a disability insurance policy. In the event of a merger, sale or change of voting control of the Company, excluding transactions between the Company and MREIC, Mr. Samuel Landy will have the right to extend and renew this employment agreement so that the expiration date will be three years from the date of merger, sale or change of voting control, or the employee may terminate the employment agreement and be entitled to receive one year s compensation in accordance with the agreement. If there is a termination of employment by the Company for any reason, either involuntary or voluntary, including the death of the employee, the employee shall be entitled to the greater of the salary due under the remaining term of the agreement or one year s compensation at the date of termination, paid monthly over the remaining term or life of the agreement.

Effective January 1, 2009, the Company and Anna T. Chew entered into a new three-year employment agreement, under which Ms. Chew receives an annual base salary of $248,200 for 2009, $260,600 for 2010 and $273,700 for 2011, plus bonuses and customary fringe benefits. Ms. Chew will also receive four weeks vacation, reimbursement of reasonable and necessary business expenses and use of an automobile. The Company will reimburse Ms. Chew for the cost of a disability insurance policy such that, in the event of the employee s disability for a period of more than 90 days, the employee will receive benefits up to 60% of her then-current salary. In the event of a merger, sale or change of voting control of the Company, excluding transactions between the Company and MREIC, the employee will have the right to extend and renew this employment agreement so that the expiration date will be three years from the date of merger, sale or change of voting control, or the employee may terminate the employment agreement and be entitled to receive one year s compensation in accordance with the agreement. If there is a termination of employment by the Company for any reason, either involuntary or voluntary, including the death of the employee, other than a termination for cause as defined by the agreement, the employee shall be entitled to the greater of the salary due under the remaining term of the agreement or one year s compensation at the date of termination, paid monthly over the remaining term or life of the agreement.

14

NOTE 9 - CONTINGENCIES

The Company is subject to claims and litigation in the ordinary course of business. Management does not believe that any such claim or litigation will have a material adverse effect on the consolidated balance sheet or results of operations.

NOTE 10 - SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the six months ended June 30, 2009 and 2008 for interest was $2,283,981 and $2,416,548, respectively. Interest cost capitalized to Land Development was $131,000 and $140,000 for the six months ended June 30, 2009 and 2008, respectively. The change in fair value of the interest rate swap agreements amounted to $172,744 and ($134,341) for the six months ended June 30, 2009 and 2008, respectively.

During the six months ended June 30, 2009 and 2008, the Company had dividend reinvestments of $556,556 and $675,888, respectively, which required no cash transfers.

ITEM 2 - MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The following discussion and analysis of the consolidated financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements and notes thereto included elsewhere herein and in our annual report on Form 10-K for the year ended December 31, 2008.

The Company is a real estate investment trust (REIT). The Company s primary business is the ownership and operation of manufactured home communities leasing manufactured home spaces on a month-to-month basis to private manufactured home owners. The Company also leases homes to residents and, through its taxable REIT subsidiary, UMH Sales and Finance, Inc. (S&F), sells and finances homes to residents and prospective residents of our communities. The Company owns twenty-eight communities containing approximately 6,800 sites. These communities are located in New Jersey, New York, Ohio, Pennsylvania and Tennessee.

The Company also holds a portfolio of securities of other REITs and home manufacturers with a balance of $22,913,621 at June 30, 2009. The Company invests in these securities on margin from time to time when the Company can achieve an adequate yield spread and when suitable acquisitions of real property cannot be found. At June 30, 2009, the Company s portfolio consisted of 28% preferred stocks, 50% common stocks and 22% debentures. The securities portfolio provides the Company with liquidity and additional income until suitable acquisitions of real property are found.

The Company s revenue primarily consists of rental and related income from the operation of its manufactured home communities. Revenues also include sales of manufactured homes, interest and dividend income and gain on securities transactions, net. Total revenues decreased by approximately 12% from $10,458,996 for the quarter ended June 30, 2008 to $9,169,362 for the quarter ended June 30, 2009. Total revenues decreased by approximately 17% from $18,774,536 for the six months ended June 30, 2008 to $15,575,227 for the six months ended June 30, 2009. These decreases were primarily due to an increase in the loss on securities transactions of $224,503 and $1,854,528 for the quarter and six months ended June 30, 2009, respectively, and a decrease in sales of manufactured homes of $1,386,896 and $2,085,139 for the quarter and six months ended June 30, 2009, partially offset by an increase in rental and related income and interest and dividend income. Sales of manufactured homes decreased by approximately 48% and 45% for the quarter and six months ended June 30, 2009, respectively, as compared to the quarter and six months ended June 30, 2008. Over the past several years, the availability of liberal lending terms for conventional housing created a difficult competitive market for sales of manufactured homes. This resulted in a loss of occupancy from approximately 86% in 2005 to approximately 80% currently. Although the conventional home lending environment has returned to more disciplined lending practices, the return to affordability and the recovery of manufactured home communities have been slow. We believe that the general economic issues, rising unemployment rate, the decline in consumer confidence, the inability of our customers to sell their current homes, and the turmoil in the credit and financial markets have negatively impacted our home sales. Loss on securities transactions, net amounted to $169,480 and $1,893,314 for the quarter and six months ended June 30, 2009, respectively, as compared to the quarter and six months ended June 30, 2008, primarily due to non-cash impairment charges relating to securities which were considered other than temporarily impaired. The Company had unrealized losses of $4,308,842 in its securities portfolio as of June 30, 2009. During the three months ended June 30, 2009, the REIT market has improved and as a result, our unrealized losses have been reduced by $681,134. Without including our investments in Monmouth Real Estate Investment Corporation, a related company, our securities portfolio had unrealized losses of $580,977 at June 30, 2009 as compared to unrealized losses of $2,415,643 at March 31, 2009, an improvement of $1,834,666 for the quarter. The fair value of our securities portfolio continued to improve in July. Historically, REIT share prices were not volatile. Over the past two years, they have been highly volatile with price swings of 5% or more occurring frequently. REIT securities have always represented less than 10% of the market value of our total assets. The dividends received from our securities investments continue to meet our expectations and we anticipate realizing satisfactory returns. It is our intent to hold these securities long-term.

Total expenses decreased by approximately 11% and 12% for the quarter and six months, respectively, ended June 30, 2009 as compared to the quarter and six months ended June 30, 2008. This was primarily due to a decrease in cost of sales of manufactured homes, partially offset by an increase in interest expense for the quarter.

Net income decreased by approximately 22% and 93%, respectively, for the quarter and six months ended June 30, 2009. This decrease was due primarily to non-cash impairment charges of $169,480 and $1,893,314 relating to securities which were considered other than temporarily impaired for the quarter and six months ended June 30, 2009, respectively, and the decrease in sales of manufactured homes.

Income from community operations (defined as rental and related income less community operating expenses) increased 14% from $2,965,651 for the quarter ended June 30, 2008 to $3,391,904 for the quarter ended June 30, 2009. Income from community operations increased 12% from $6,038,045 for the six months ended June 30, 2008 to $6,737,717 for the six months ended June 30, 2009. Occupancy has remained relatively stable. The Company has been increasing rental rates. The Company has also focused on reducing costs.

See PART I, Item 1 Business in the Company s 2008 annual report on Form 10-K for a more complete discussion of the economic and industry-wide factors relevant to the Company and the opportunities and challenges, and risks on which the Company is focused.

Changes In Results Of Operations

Rental and related income increased 4% from $6,362,034 for the quarter ended June 30, 2008 to $6,624,530 for the quarter ended June 30, 2009. Rental and related income increased 4% from $12,616,604 for the six months ended June 30, 2008 to $13,181,029 for the six months ended June 30, 2009. This was primarily due to rental increases to residents and an increase in home rental income. The Company has been raising rental rates by approximately 3% to 6% annually. Occupancy remained relatively stable at approximately 80% at both December 31, 2008 and June 30, 2009. The Company has faced many challenges in filling vacant homesites.

Interest and dividend income increased 6% from $1,129,477 for the quarter ended June 30, 2008 to $1,198,074 for the quarter ended June 30, 2009. Interest and dividend income increased 11% from $2,020,906 for the six months ended June 30, 2008 to $2,233,336 for the six months ended June 30, 2009. This was primarily as a result a higher weighted-average yield on securities available for sale during 2009. The weighted average yield on these securities at June 30, 2009 and 2008 was approximately 10.25% and 9.25%, respectively.

(Loss) gain on securities available for sale transactions, net for the three and six months ended June 30, 2009 and 2008 consisted of the following:

	Three Months		Six Months	
	2009	2008	2009	2008
(Loss) gain on sale of securities, net	$-0-	$10,951	($556,751)	$10,951
Gain (loss) on open and settled futures contracts	-0-	346,472	-0-	(304,088)
Impairment loss	(169,480)	(302,400)	(1,893,314)	(302,400)
(Loss) gain on securities transactions, net	($169,480)	$55,023	($2,450,065)	($595,537)

(Loss) gain on securities transactions, net increased from a gain of $55,023 for the quarter ended June 30, 2008 to a loss of ($169,480) for the quarter ended June 30, 2009 and from a loss of ($595,537) for the six months ended June 30, 2008 to a loss of ($2,450,065) for the six months ended June 30, 2009. This was due primarily to the non-cash impairment charges relating to securities which were considered other than temporarily impaired.

The Company had unrealized losses of $4,308,842 in its securities portfolio as of June 30, 2009. The Company considers these securities with unrealized losses to be temporarily impaired. The dividends received from our investments continue to meet our expectations. It is our intent to hold these securities long-term and anticipate realizing satisfactory returns. The fair value of our securities portfolio continued to improve in July. Historically, REIT share prices were not volatile. Over the past two years, they have been highly volatile with price swings of 5% or more occurring frequently. REIT securities have always represented less than 10% of the market value of our total assets.

During the three months ended June 30, 2009, the REIT market has improved and as a result, our unrealized losses have been reduced by $681,134. Without including our investments in Monmouth Real Estate Investment Corporation, a related company, our securities portfolio had unrealized losses of $580,977 at June 30, 2009 as compared to unrealized losses of $2,415,643 at March 31, 2009, an improvement of $1,834,666 for the quarter. During the quarter and six months ended June 30, 2008, the Company also recognized a gain (loss) on open and settled futures contracts of $346,472 and ($304,088), respectively. The Company invested in futures contracts of ten-year treasury notes with the objective of reducing the risks of rolling over its fixed-rate mortgages at higher interest rates and reducing the exposure of the preferred equity and debt securities portfolio to interest rate fluctuations. As of May 15, 2008, we settled our position and no longer invest in these contracts.

Community operating expenses decreased 5% from $3,396,383 for the quarter ended June 30, 2008 to $3,232,626 for the quarter ended June 30, 2009. Community operating expenses decreased 2% from $6,578,559 for the six months ended June 30, 2008 to $6,443,312 for the six months ended June 30, 2009. General and administrative expenses decreased 10% from $911,541 for the quarter ended June 30, 2008 to $817,175 for the quarter ended June 30, 2009. General and administrative expenses decreased 16% from $1,897,428 for the six months ended June 30, 2008 to $1,598,813 for the six months ended June 30, 2009. The Company has been focusing on reducing costs, including operating expenses, salaries, employee benefits, professional fees and travel. Interest expense increased 28% from $886,201 for the quarter ended June 30, 2008 to $1,135,033 for the quarter ended June 30, 2009. This was primarily due to an increase in the average balance of mortgages and loans payable partially offset by the change in fair value of the Company s interest rate swaps which decreased interest expense by $214,199 for the six months ended June 30, 2008 but only decreased interest expense by $95,623 for the six months ended June 30, 2009. Interest expense decreased 7% from $2,386,859 for the six months ended June 30, 2008 to $2,230,294 for the six months ended June 30, 2009. This was primarily due to an increase in the average balance of mortgages and loans payable and the change in fair value of the Company s interest rate swaps which increased interest expense by $134,341 for the six months ended June 30, 2008 but decreased interest expense by $172,744 for the six months ended June 30, 2009. Cash paid for interest during the three and six months ended June 30, 2009 amounted to $1,297,378 and $2,283,981, respectively. Cash paid for interest during the three and six months ended June 30, 2008 amounted to $1,175,400 and $2,416,548, respectively. Depreciation expense remained relatively stable for the three and six months ended June 30, 2009 as compared to the three and six months ended June 30, 2008. Amortization of financing costs increased 43% from $38,371 for the quarter ended June 30, 2008 to $54,970 for the quarter ended June 30, 2009. Amortization of financing costs increased 33% from $77,815 for the six months ended June 30, 2008 to $103,840 for the six months ended June 30, 2009. This was primarily due to amortization of costs associated with the new Weatherly Estates mortgage and the extension of our Sandy Valley mortgage.

Sales of manufactured homes amounted to $1,494,118 and $2,881,014 for the quarters ended June 30, 2009 and 2008, respectively, a decrease of 48%. Sales of manufactured homes amounted to $2,579,918 and $4,665,057 for the six months ended June 30, 2009 and 2008, respectively, a decrease of 45%. Cost of sales of manufactured homes amounted to $1,426,536 and $2,419,512 for the quarters ended June 30, 2009 and 2008, respectively. Cost of sales of manufactured homes amounted to $2,428,775 and $3,904,477 for the six months ended June 30, 2009 and 2008, respectively. Selling expenses amounted to $292,629 and $302,732 for the quarters

ended June 30, 2009 and 2008, respectively. Selling expenses amounted to $616,259 and $711,177 for the six months ended June 30, 2009 and 2008, respectively. These decreases are directly attributable to the decrease in sales. Loss from the sales operations (defined as sales of manufactured homes less cost of sales of manufactured homes less selling expenses) amounted to $225,047, or 15% of total sales, for the quarter ended June 30, 2009 as compared to income of $158,770, or 6% of total sales, for the quarter ended June 30, 2008. Loss from sales operations amounted to $465,116, or 18% of total sales, for the six months ended June 30, 2009 as compared to income of $49,403, or 1% of total sales, for the six months ended June 30, 2008. The Company believes that sales of new homes produces new rental revenue and is an investment in the upgrading of the communities.

Income from community operations (defined as rental and related income less community operating expenses) increased 14% from $2,965,651 for the quarter ended June 30, 2008 to $3,391,904 for the quarter ended June 30, 2009. Income from community operations increased 12% from $6,038,045 for the six months ended June 30, 2008 to $6,737,717 for the six months ended June 30, 2009.

Changes in Financial Condition

Net cash provided by operating activities increased 36% from $5,043,620 for the six months ended June 30, 2008 to $6,843,503 for the six months ended June 30, 2009. This was primarily due to the add-back of the non-cash impairment charge for securities which were considered other than temporarily impaired.

Securities available for sale increased 6% or $1,338,549 during the six months ended June 30, 2009. The increase was due primarily to purchases of $3,129,902 and a decrease in the unrealized loss of $1,362,519, partially offset by the write-down in carrying value of securities deemed to be other than temporarily impaired of $1,893,314, and sales of securities with a cost of $1,260,558.

Inventory of manufactured homes decreased 15% or $1,382,749 during the six months ended June 30, 2009. The decrease was due primarily to sales.

Notes and other receivables decreased 3% or $707,618 during the six months ended June 30, 2009. The decrease was due primarily to a decrease in loans receivable from the financing of sales.

Land development costs increased 12% or $479,843 during the six months ended June 30, 2009. The increase was due primarily to continual work on expansions in progress.

Mortgages payable increased 5% or $3,097,778 during the six months ended June 30, 2009. This increase was due to a new $4,000,000 mortgage on Weatherly Estates partially offset by principal repayments of $902,222.

Loans payable decreased 6% or $1,426,865 during the six months ended June 30, 2009. The decrease was primarily due to paydowns on the margin loan.

The Company raised $2,098,995 from the issuance of shares in the DRIP during the six months ended June 30, 2009, which included dividend reinvestments of $556,556. Dividends paid on the common stock for the six months ended June 30, 2009 were $4,004,250 of which $556,556 was reinvested. On August 5, 2009, the Company declared a dividend of $0.18 per common share to be paid September 15, 2009 to common shareholders of record as of August 17, 2009.

The Company uses a variety of sources to fund its cash needs in addition to cash generated through operations. The Company may sell marketable securities, borrow on its line of credit, refinance debt, or raise capital through the DRIP or capital markets.

Liquidity And Capital Resources

The Company s principal liquidity demands have historically been, and are expected to continue to be, distributions to the Company s stockholders, acquisitions, capital improvements, development and expansions of properties, debt service, purchases of manufactured home inventory, investment in debt and equity securities of other REITs and payments of expenses relating to real estate operations. The Company s ability to generate cash adequate to meet these demands is dependent primarily on income from its real estate investments and securities portfolio, the sale of real estate investments and securities, refinancing of mortgage debt, leveraging of real estate investments, availability of bank borrowings, proceeds from the DRIP, and access to the capital markets.

The current economic downturn and the lack of liquidity in the lending environment may impact management s ability to grow by acquiring additional properties or REIT securities. Current economic indicators show the US economy to be improving. The affordability of our homes and the slow-down in site-built homes should enable the Company to perform well despite the challenging economy. While the current recession has proven difficult, the manufactured housing industry property type has performed better than other commercial property types.

As of June 30, 2009, the Company had cash and cash equivalents of $4,810,207 and securities available for sale of $22,913,621, subject to margin and bank loans of $6,816,158. These marketable securities provide the Company with additional liquidity. The dividends received from our securities investments continue to meet our expectations. It is our intent to hold these securities long-term and anticipate realizing satisfactory returns.

As of June 30, 2009, the Company has a $5,000,000 unsecured line of credit, of which $3,535,841 was utilized. The Company also has a $10,000,000 revolving line of credit for the financing of home sales, of which $8,690,000 was outstanding. The Company owns 28 properties, of which 16 carried mortgages totaling approximately $69,000,000. The Company has one mortgage secured by four properties with a balance of approximately $12,500,000 maturing in

November 2009. We are currently in the process of refinancing/extending this mortgage and are optimistic that we will be successful.

The Company has been raising capital through its DRIP. The Company believes that funds generated from operations and the DRIP, together with the ability to finance and refinance its

21

properties will provide sufficient funds to adequately meet its obligations over the next year.

The Company does not have any off-balance sheet arrangements.

Funds From Operations

Funds from Operations (FFO) is defined as net income excluding gains (or losses) from sales of depreciable assets, plus depreciation. FFO should be considered as a supplemental measure of operating performance used by real estate investment trust (REITs). FFO excludes historical cost depreciation as an expense and may facilitate the comparison of REITs which have different cost bases. The items excluded from FFO are significant components in understanding and assessing the Company s financial performance. FFO (1) does not represent cash flow from operations as defined by generally accepted accounting principles; (2) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (3) 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.

The Company s FFO for the three and six months ended June 30, 2009 and 2008 is calculated as follows:

	Three Months		Six Months	
	2009	2008	2009	2008
Net Income	$1,178,562	$1,511,074	$79,726	$1,206,034
Loss (Gain) on Sales of				
Depreciable Assets	10,477	(24,613)	21,980	(20,358)
Depreciation Expense	1,021,354	1,017,795	2,052,228	2,032,545
FFO	$2,210,393	$2,504,256	$2,153,934	$3,218,221

The following are the cash flows provided (used) by operating, investing and financing activities for the six months ended June 30, 2009 and 2008:

	2009	2008
Operating Activities	$6,843,503	$5,043,620
Investing Activities	(4,466,814)	(7,976,653)
Financing Activities	(349,732)	3,175,270

Safe Harbor Statement

Statements contained in this Form 10-Q, including the documents that are 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 (the Exchange Act). Also, when we use any of the words anticipate, assume, believe, estimate, expect, intend, or similar e we are making forward-looking statements. These forward-looking statements are not guaranteed. They reflect the Company s current views with respect to future events and financial performance, but are based upon current assumptions regarding the Company s operations, future results and prospects, and are subject to many uncertainties and factors, some of which are beyond our control, relating to the Company s operations and business environment which could cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements.

Such factors include, but are not limited to, the following: changes in the real estate market and general economic climate; increased competition in the geographic areas in which the Company owns and operates manufactured housing communities; changes in government laws and regulations affecting manufactured housing communities; the ability of the Company 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 the Company; the ability to maintain rental rates and occupancy levels; competitive market forces; changes in market rates of interest; our ability to repay debt financing obligations; our ability to comply with certain debt covenants; continued ability to access the debt or equity markets; the availability of other debt and equity financing alternatives; 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; changes in federal or state tax rules or regulations that could have adverse tax consequences; our ability to qualify as a real estate investment trust for federal income tax purposes; the ability of manufactured home buyers to obtain financing; the level of repossessions by manufactured home lenders; and those risks and uncertainties referenced under the heading "Risk Factors" contained in the Company s Form 10-K and other filings with the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, as events described or implied in such statements may not occur. The forward-looking statements contained in this Form 10-Q speak only as of the date hereof and the Company expressly disclaims any obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to information required regarding quantitative and qualitative disclosures about market risk from the end of the preceding year to the date of this Quarterly Report on Form 10-Q.

ITEM 4 - CONTROLS AND PROCEDURES

The Company s Chief Executive Officer and Chief Financial Officer, with the assistance of other members of the Company s management, have evaluated the effectiveness of the Company s disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, the Company s Chief Executive Officer and Chief Financial Officer have concluded that the Company s disclosure controls and procedures are effective.

Changes In Internal Control Over Financial Reporting

There were no changes in the Company s internal control over financial reporting during the quarterly period ended June 30, 2009 that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1 - Legal Proceedings none

Item 1A - Risk Factors

There have been no material changes to information required regarding risk factors from the end of the preceding year to the date of this Quarterly Report on Form 10-Q. In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A Risk Factors in the Company s Annual Report on Form 10-K for the year ended December 31, 2008, which could materially affect the Company s business, financial condition or future results. The risks described in the Company s Annual Report on Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect the Company s business, financial condition and/or operating results.

Item 2 - Unregistered Sale of Equity Securities and Use of Proceeds none

Item 3 - Defaults Upon Senior Securities none

Item 4 - Submission of Matters to a Vote of Security Holders

The annual meeting of shareholders was held on June 9, 2009. The proposals submitted to the vote of the shareholders and the results of the votes were as follows:

Proposal One For the election of the following nominees for Director:

	For	Against
Anna T. Chew	9,562,390	356,325
Eugene W. Landy	9,557,484	361,230
Samuel A. Landy	9,551,379	367,336

Proposal Two For the approval of PKF, Certified Public Accountants, a Professional Corporation, As independent registered public accounting firm for the Company for the fiscal year ending December 31, 2009:

For	Against	Abstain
9,698,218	31,518	188,978

Item 5 - Other Information

(a) Information Required to be Disclosed in a Report on Form 8-K, but not Reported none

(b) Material Changes to the Procedures by which Security Holders May Recommend Nominees to the Board of Directors none

Item 6 - Exhibits

10 (i)

Employment Agreement with Mr. Samuel A. Landy effective January 1, 2009 (incorporated by reference to the 8-K as filed by the Registrant with the Securities and Exchange Commission on January 30, 2009, Registration No. 001-12690).

10 (ii)

Employment Agreement with Ms. Anna T. Chew effective January 1, 2009 (incorporated by reference to the 8-K as filed by the Registrant with the Securities and Exchange Commission on January 22, 2009, Registration No. 001-12690).

26

31.1

Certification of Samuel A. Landy, President and Chief Executive Officer of the Company, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (Filed herewith).

31.2

Certification of Anna T. Chew, Vice President and Chief Financial Officer of the Company, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (Filed herewith).

32

Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed by Samuel A. Landy, President and Chief Executive Officer, and Anna T. Chew, Vice President and Chief Financial Officer (Furnished herewith).

SIGNATURES

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

UMH PROPERTIES, INC.

DATE:

August 5, 2009

By /s/ Samuel A. Landy

Samuel A. Landy

President and

Chief Executive Officer

DATE:

August 5, 2009

By /s/ Anna T. Chew

Anna T. Chew

Vice President and

Chief Financial Officer

28