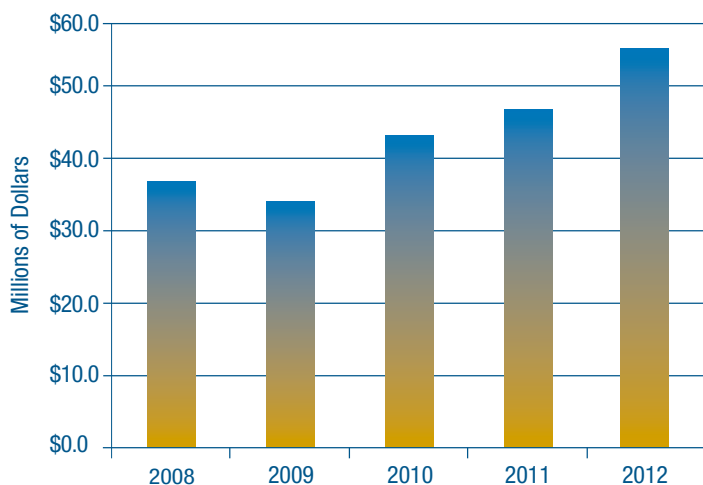


UMH PROPERTIES, INC.

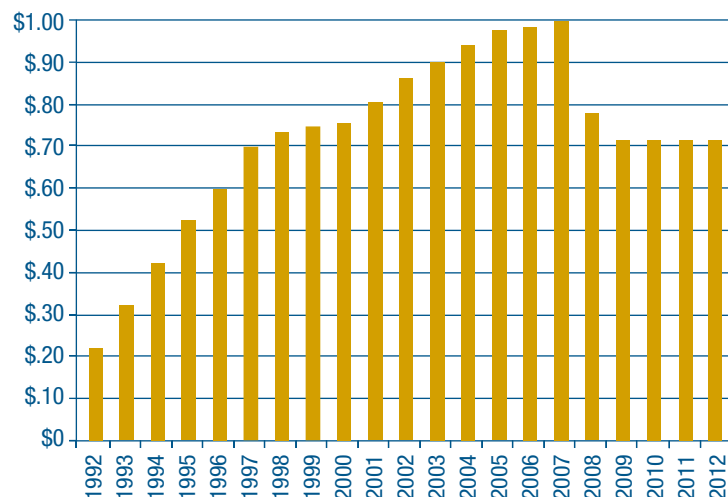


ANNUAL REPORT 2012

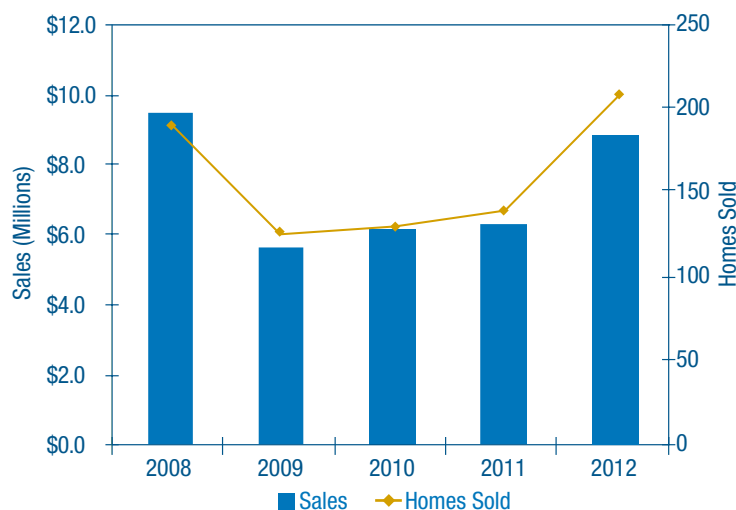
Total Revenues



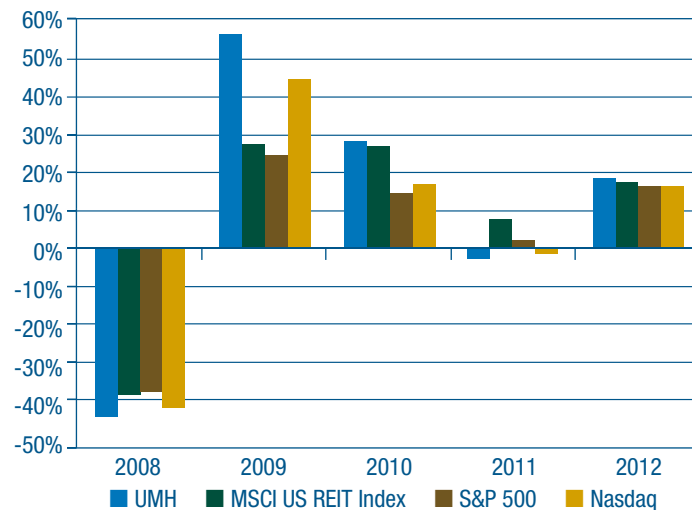
Per Share Annual Dividend 1992-2012



UMH Sales and Finance



Total Shareholder Return



Safe Harbor Statement

This annual report and Form 10K contains various "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, and the Company intends that such forward-looking statements be subject to the safe harbors created thereby. The words "may", "will", "expect", "believe", "anticipate", "should", "estimate", and similar expressions identify forward-looking statements. These forward-looking statements reflect the Company's current views with respect to future events and finance performance, but are based upon current assumptions regarding the Company's operations, future results and prospects, and are subject to many uncertainties and factors relating to the Company's operations and business environment which may 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 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; 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 this annual report and Form 10K and the Company's filings with the Securities and Exchange Commission. The forward-looking statements contained in this annual report and Form 10K 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.

Cover Photo: Pine Manor is a beautiful five star community set in Carlisle, PA. This peaceful, active adult community provides country living while being located in close proximity to the state capital of Harrisburg, PA.

FROM THE CHAIRMAN OF THE BOARD



Dear Shareholders,

UMH Properties, Inc. (UMH) has now completed forty-five years of successful operation. Our REIT specializes in owning and managing manufactured home communities. The housing industry has been in a deep and protracted recession for the past five years. The future for the manufactured housing industry appears bright. Economics and demographics dictate a coming resurgence in housing. It is estimated that the United States will need 1.4 million new home units each year for the next ten years. If manufactured housing can command 10% of the housing market, industry sales of over 100,000 units can be achieved.

UMH is better positioned today than at any time in its history. It has a substantial portfolio, the executive talent, capital availability, and business concept to become a major player in the ownership of land-leased manufactured home communities.

UMH has expanded its portfolio of manufactured home communities and now owns 68 communities with approximately 12,800 sites. UMH is now one of the ten largest community owners in the nation. The combination of rising home demand, a stronger economy and modest inflation reinforces our confidence in UMH as a promising investment.

UMH has the capital to continue to purchase additional communities. If additional quality communities are available to be purchased, UMH is interested in investing an additional \$100 million in acquisitions in 2013 and 2014. The economies of scale dictate that UMH should be grown into a billion dollar entity.

UMH has selected affordable manufactured housing as its field of expertise and has seen the industry evolve over many cycles. Manufactured housing can fill a national need for housing units costing less than \$100,000 a unit. We have developed a great staff that can continue to execute on this investment concept.

Our investment in REIT securities continues to do well. This investment portfolio gives us diversification, added income and potential capital gains. These investments have performed well in 2012 and continue to perform well.

UMH is better positioned today than at any time in its history. It has a substantial portfolio, the executive talent, capital availability, and business concept to become a major player in the ownership of land-leased manufactured home communities.

I would like to thank the Board of Directors, the Officers and staff for working with me for many decades. I know of only a few Chairmen who have had the privilege of having a long and close relationship with the directors, staff and shareholders.

On a very personal note, I would like to thank my sons, Samuel and Michael Landy, for assisting in building this needed enterprise.

Very truly yours,

A handwritten signature in blue ink that reads "Eugene W. Landy". The signature is fluid and cursive.

Eugene W. Landy
Chairman of the Board
April 2013

FROM THE PRESIDENT



Dear Fellow Shareholders,

For UMH, 2012 was a very productive year. We have grown our portfolio by 19% this year and have funded these acquisitions by opportunistically accessing the capital markets as well as from redeploying the substantial gains we have realized on our securities investments. During 2012, the Company accomplished among the following:

- Acquired 17 communities containing a total of 1,700 developed home sites for \$47.6 million
- Raised approximately \$75 million in common and preferred equity capital
- Realized \$4.1 million in gains from our investments in REIT securities
- Increased occupancy from 77% to 80%
- Listed our common and preferred stock on the New York Stock Exchange

Following the 11% growth in the size of our portfolio achieved in 2011, we have added another 17 communities containing 1,700 developed home sites this year for \$47.6 million. This represents a 19% increase in the size of our portfolio. Over the past three years we have acquired approximately \$103 million of very well located communities. Our growth initiative has continued into 2013 with the acquisition in March of 10 communities, for a total purchase price of \$67.5 million. This acquisition totaled approximately 1,900 developed home sites and increased our portfolio by an additional 18%. In last year's letter, I mentioned that we had ambitious growth plans. I am very pleased that we were able to execute and deliver. The Company remains very well positioned to continue to execute its growth strategy and we anticipate additional acquisitions in 2013.

We ended the year with net debt to total market capitalization at 28% and with \$11 million in cash and cash equivalents. In 2012 we raised approximately \$75 million in common and preferred equity. This includes \$57 million in preferred equity. Although preferred equity is more expensive than debt and common equity,

it is perpetual. This means that there is no looming maturity date in which it becomes due. One of the many lessons of the recent credit crisis was that capital markets can at times shut down completely. Because at yearend 24% of our total market capitalization was comprised of perpetual preferred equity, our very low-levered balance sheet will be able to withstand any future disruptions in the capital markets.

Over the past three years, we have been very successful in harnessing gains from our REIT securities investments and redeploying that capital into our community acquisitions. Our securities portfolio generated \$4.1 million in realized gains in 2012 and an additional \$6.6 million in unrealized gains at yearend. Since the summer of 2007, the entire housing industry has struggled through the most severe downturn on record. However, our investments in REIT securities provided diversification into the many property types that have prospered during this downturn, including multi-family apartments. This diversification has allowed us to weather the storm much better than most. Real estate is a cyclical asset class and each property type displays its own unique cycle. I am confident that our decision to harness these gains and reinvest them back into our core business of providing affordable housing will prove to be a wise one in the years to come.

Our portfolio occupancy increased 300 basis points year over year, from 77% at December 31, 2011 to 80% at December 31, 2012. We have seen a 39% increase in sales during 2012, increasing from \$6.3 million in 2011 to \$8.8 million in 2012. New home sales are an integral part of increasing occupancy and enhancing community values. We are very proactive in upgrading our communities by replacing older homes with newer ones. We have also seen an increase in demand for rental units and are meeting this demand. We ended the year with 12% of our occupied sites representing rental units.

UMH currently has approximately \$22 million in manufactured home loans secured by homes situated within our communities. Our loan portfolio continues to perform well and delivers a weighted average yield of approximately 10.0%. These loans are primarily made with a 10% down payment and a 15 year amortization schedule. The annual amount that we



FROM THE PRESIDENT

receive in principal and interest is now approximately \$3.6 million. We recently lowered our interest rate to 8%. It is too early to tell if this will help generate additional demand but given the continued tightening of lending standards in the conventional mortgage market, we expect that it will.

The energy revolution now taking place in our country is real and it is substantial. It will last decades and it will result in millions of new jobs. Although we are one of the smallest REITs, there is no REIT with more exposure in terms of acreage, or units, to the Marcellus and Utica Shale regions than UMH.

Over the past three years UMH has been transformed into a much larger company. Rental revenue has risen from under \$30 million annually to now over \$50 million. Core FFO amounted to \$10.0 million or \$0.62 per diluted share for the year ended December 31, 2012, as compared to \$9.2 million or \$0.63 per diluted share for the year ended December 31, 2011. Since most of our new acquisitions closed in the second half of the year, along with the \$67.5 million acquisition that was just consummated in March 2013, we expect these new acquisitions to positively impact our results going forward, particularly once we benefit from their full run-rate effect. UMH currently has approximately 2,400 vacant sites. This 19% vacancy factor can provide us with substantial operating leverage to organically grow our earnings as demand increases. Filling these vacant sites would increase our gross income by approximately \$11.5 million and increase our net income by approximately \$7.5 million per year. Each 1% increase in occupancy will result in a \$0.02 increase in earnings per share.


UMH moved the listings of our common and preferred shares from the NYSE Amex to the New York Stock Exchange's "Big Board" this year. This move has resulted in increased visibility for our Company and we

expect that this will result in increased liquidity for our investors. We have seen that on Wall Street, growth in size translates into increased liquidity and increased value. Today's market is dominated by index funds, exchange traded funds, and mutual funds. Due to our small size, our inclusion in these funds is minimal. Given our recent growth trajectory, this problem will be overcome over time.

Conventional homeownership rates in the U.S. have continued to fall and are currently at 65.3%, down from a high of just under 70% in 2007. With 115 million households throughout the U.S., each 100 basis point drop represents 1.15 million households moving from conventional single-family homes into either apartments, manufactured homes, or temporarily doubling-up with family or friends. As these trends continue, we believe our sector is very well situated to benefit from increased demand. Additionally, because UMH has a substantial presence throughout the Marcellus and Utica Shale regions, we feel that there is significant long-term potential for our portfolio. The energy revolution now taking place in our country is real and it is substantial. It will last decades and it will result in millions of new jobs. Although we are one of the smallest REITs, there is no REIT with more exposure in terms of acreage, or units, to the Marcellus and Utica Shale regions than UMH.

I would like to take this opportunity to thank all of the dedicated members of the UMH team. Growing our portfolio by 84% over the past 3 years required considerable effort throughout the organization. These numerous deals had to be sourced, executed, and integrated into our existing portfolio. Our team rose to the occasion, and for that I am most grateful and proud. I would also like to thank our directors for their hard work and commitment to creating long-term value for UMH. Thank you to all of our loyal shareholders for your faith and trust. We look forward to reporting back to you in the year ahead.

Very truly yours,



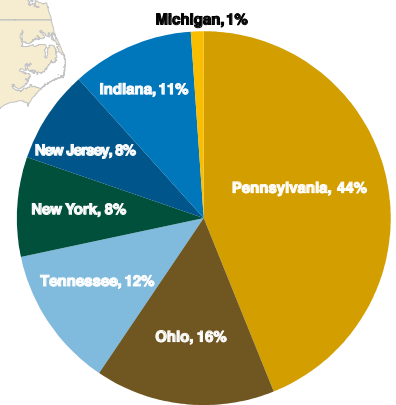
Samuel A. Landy
President

April 2013

PROPERTY PORTFOLIO MAP

UMH owns and operates a portfolio of 68 manufactured home communities, containing approximately 12,800 developed home sites.

- Pre existing Home Community (35)
- New Community acquired in 2011 (5)
- New Community acquired in 2012 (17)
- New Community acquired in 2013 (11)



COMMUNITY DEVELOPMENT

UMH Properties, Inc. (UMH) currently owns additional unimproved land, which lends itself to future development. When the UMH communities were first purchased the undeveloped land was given little or no value. Over the last several years UMH's land holdings have seen considerable appreciation. Management frequently monitors the economic changes in particular areas to determine if expansions in specific communities are warranted. This table shows our projected expansion plans for 2014 through 2017.

PROJECTED EXPANSIONS	2014	2015	2016	2017
Brookview Village		17	47	
Cedarcrest				50
Cross Keys Village		8		
Fairview Manor		50	50	50
Highland Estates	50	50	44	
Lake Sherman Village		25		25
Memphis Mobile City	100	100		
Mountain View Estates	100	100	80	
Pine Ridge/Pine Manor		20	30	
Somerset Estates		30	48	
Spreading Oaks Village		30		30
Sandy Valley Estates		24		
Woodland Manor			10	
Wood Valley			30	
Totals	250	454	339	155

FINANCIAL DATA

Operating Data	2012	2011	2010	2009	2008
Rental and Related Income	\$38,012,231	\$32,990,219	\$27,877,470	\$26,491,999	\$25,542,745
Sales of Manufactured Homes	8,815,533	6,323,135	6,133,494	5,527,253	9,560,912
Total Income	46,827,764	39,313,354	34,010,964	32,019,252	35,103,657
Community Operating Expenses	20,564,286	17,758,332	14,870,694	13,200,885	13,083,959
Loss Relating to Flood	-0-	984,701	-0-	-0-	-0-
Total Expenses	44,214,508	36,797,740	30,520,846	26,658,062	30,003,010
Interest Income	2,027,969	1,991,180	2,817,059	2,632,055	2,698,655
Dividend Income	3,243,592	2,512,057	1,762,609	1,952,862	1,619,857
Gain (Loss) on Securities					
Transactions, net	4,092,585	2,692,649	3,931,880	(1,804,146)	(2,860,804)
Interest Expense	5,803,172	5,744,567	5,183,296	4,455,332	4,957,437
Gain (Loss) on Sales of Investment					
Property and Equipment	(41,481)	28,873	(8,244)	179,607	14,661
Net Income	6,474,057	3,696,263	6,668,915	3,689,388	1,527,150
Net Income Attributable to					
Common Shareholders	1,749,339	2,039,497	6,668,915	3,689,388	1,527,150
Net Income Per Share					
Basic	0.40	0.25	0.52	0.32	0.14
Diluted	0.40	0.25	0.52	0.32	0.14
Net Income Attributable to					
Common Shareholders Per Share					
Basic	0.11	0.14	0.52	0.32	0.14
Diluted	0.11	0.14	0.52	0.32	0.14

Cash Flow Data

Net Cash Provided (Used) by:					
Operating Activities	\$9,087,749	\$8,410,892	\$6,481,751	\$11,355,096	\$8,267,886
Investing Activities	(69,760,335)	(39,765,028)	(33,894,219)	(8,288,707)	(11,941,757)
Financing Activities	62,910,387	34,491,139	28,553,703	(1,329,854)	4,235,145

Balance Sheet Data

Total Investment Property	\$253,490,055	\$191,252,542	\$168,590,072	\$125,318,411	\$122,031,499
Total Assets	300,281,215	223,944,536	188,780,515	147,971,540	137,939,325
Mortgages Payable	108,871,352	90,282,010	90,815,777	70,318,950	65,952,895
Series A Preferred Stock	91,595,000	33,470,000	-0-	-0-	-0-
Total Shareholders' Equity	174,985,248	105,877,205	71,927,753	55,971,862	44,721,700

Other Information

Average Number of					
Shares Outstanding-Basic	16,197,339	14,506,679	12,767,904	11,412,536	10,876,840
Funds from Operations (1)	\$9,147,978	\$7,972,962	\$11,193,185	\$7,834,295	\$5,585,059
Core Funds from Operations (1)	10,010,147	9,218,126	11,640,762	7,834,295	5,585,059
Cash Dividends Per Common Share	0.72	0.72	0.72	0.72	0.79

(1) 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 basis. 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. Core FFO is defined as FFO plus acquisition costs and Loss Relating to the Flood.

FINANCIAL DATA (CONTINUED)

The Company's FFO is calculated as follows

	2012	2011	2010	2009	2008
Net Income Attributable					
to Common Shareholders	\$1,749,339	\$2,039,497	\$6,668,915	\$3,689,388	\$1,527,150
Loss (Gain) on Sales of					
Depreciable Assets	41,481	(28,873)	8,244	62,783	(14,661)
Depreciation Expense	7,357,158	5,962,338	4,516,026	4,082,124	4,072,570
FFO Attributable to					
Common Shareholders (1)	9,147,978	7,972,962	11,193,185	7,834,295	5,585,059
Acquisition Costs	862,169	260,463	447,577	-0-	-0-
Loss Relating to Flood (2)	-0-	984,701	-0-	-0-	-0-
Core FFO (1)	\$10,010,147	\$9,218,126	\$11,640,762	\$7,834,295	\$5,585,059

(1) Includes gain on sale of easement of \$242,390 in 2009.

(2) Represents loss relating to flood at Memphis Mobile City.

THE YEAR IN REVIEW

Recent Share Activity

	2012			2011		
	High	Low	Distribution	High	Low	Distribution
First Quarter	\$11.35	\$9.15	\$0.18	\$10.76	\$9.44	\$0.18
Second Quarter	11.82	9.68	0.18	10.75	9.70	0.18
Third Quarter	12.15	10.35	0.18	11.49	8.71	0.18
Fourth Quarter	12.20	9.24	0.18	10.50	8.60	0.18
			\$0.72			\$0.72

	Share Volume	Opening Price	Closing Price	Dividend Paid	Appreciation/Depreciation	Total Return
2012	8,544,900	\$9.31	\$10.33	\$0.72	11.0%	18.7%
2011	7,483,100	10.20	9.31	0.72	-8.7%	-1.7%
2010	8,346,700	8.48	10.20	0.72	20.3%	28.8%
2009	5,503,300	5.95	8.48	0.72	42.5%	54.6%
2008	3,523,900	11.77	5.95	0.79	-49.4%	-42.7%

The shares of common stock of UMH Properties, Inc. are traded on the NYSE (UMH).



DIRECTORS

Jeffrey A. Carus
 Founder and Managing Partner,
 JAC Partners, LLC

Anna T. Chew
 Certified Public Accountant
 Treasurer,
 Monmouth Real Estate
 Investment Corporation

Eugene W. Landy
 Attorney-at-Law
 Chairman of the Board,
 Monmouth Real Estate
 Investment Corporation

Michael P. Landy
 President and Chief
 Executive Officer,
 Monmouth Real Estate
 Investment Corporation

Samuel A. Landy
 Attorney-at-Law

Stuart Levy
 Vice President -
 Real Estate Finance,
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 Hessen-Thüringen

James E. Mitchell
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 General Partner,
 Mitchell Partners LP
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Richard H. Molke
 General Partner,
 Molke Family
 Limited Partnership

Eugene Rothenberg
 Investor
 Director, Monmouth Real Estate
 Investment Corporation

Stephen B. Wolgin
 Managing Director
 U.S. Real Estate Advisors, Inc.
 Director, Monmouth Real Estate
 Investment Corporation

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OFFICERS

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Samuel A. Landy
 President and
 Chief Executive Officer

Anna T. Chew
 Vice President and
 Chief Financial Officer

Michael P. Landy
 Executive Vice President

Allison Nagelberg
 General Counsel

Craig Koster
 In-House Counsel

Katie Traks
 Controller

Elizabeth Chiarella
 Secretary

Robert Hanlon
 Vice President of Consumer
 Finance

Brett Taft
 Vice President of Acquisitions
 and Integration

Susan M. Jordan
 Director of Investor
 Relations



Staff of UMH Properties, Inc.



UMH PROPERTIES, INC.

ESTABLISHED IN 1968

NYSE: UMH

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