

UMH Properties, Inc. NYSE:UMH

FQ4 2025 Earnings Call Transcripts

Thursday, February 26, 2026 3:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ4 2025-			-FQ1 2026-	-FY 2025-			-FY 2026-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS
EPS (GAAP)	0.04	(0.01)	NM	0.03	0.12	0.07	▼ (41.67 %)	0.17
Revenue (mm)	68.70	66.97	▼ (2.52 %)	68.98	263.48	261.75	▼ (0.66 %)	284.70

Currency: USD

Consensus as of Feb-26-2026 12:07 PM GMT

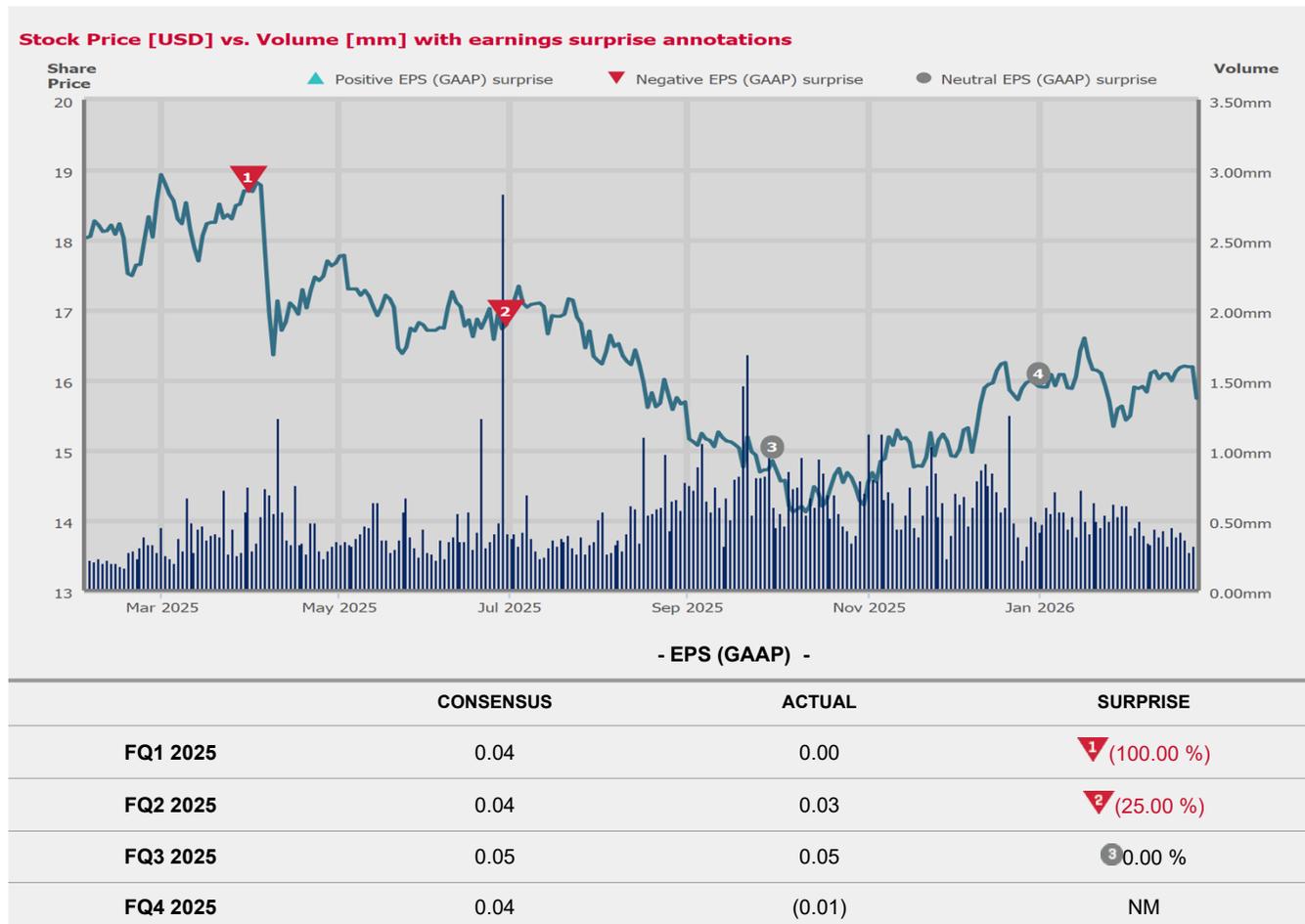


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EXECUTIVES

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Executive VP, CFO, Treasurer & Director

Brett Taft

Executive VP & COO

Craig Koster

Executive VP, General Counsel & Secretary

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Founder & Chairman of the Board

James O. Lykins

Vice President of Capital Markets

Samuel A. Landy

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Barry Paul Oxford

Colliers Securities LLC, Research Division

Gaurav Mehta

Alliance Global Partners, Research Division

John James Massocca

B. Riley Securities, Inc., Research Division

Richard Charles Anderson

Cantor Fitzgerald & Co., Research Division

Presentation

Operator

Good morning and welcome to UMH Properties Fourth Quarter and Year-end 2025 Earnings Conference Call.

[Operator Instructions] Please note, this event is being recorded.

It is now my pleasure to introduce your host, Mr. Craig Koster, Executive Vice President and General Counsel. Thank you. Mr. Koster, you may begin.

Craig Koster

Executive VP, General Counsel & Secretary

Thank you very much, operator. In addition to the 10-K that we filed with the SEC yesterday, we have filed an unaudited fourth quarter and year-end supplemental information presentation. This supplemental information presentation, along with our 10-K, are available on the company's website at umh.reit.

We would like to remind everyone that certain statements made during this conference call, which are not historical facts, may be deemed forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements that we make on this call are based on our 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 that its expectations will be achieved. The risks and uncertainties that could cause actual results to differ materially from expectations are detailed in the company's fourth quarter and year-end 2025 earnings release and filings with the Securities and Exchange Commission. The company disclaims any obligation to update its forward-looking statements.

In addition, during today's call, we will be discussing non-GAAP financial metrics. Reconciliations of these non-GAAP financial metrics to the comparable GAAP financial metrics as well as the explanatory and cautioning language are included in our earnings release, our supplemental information and our historical SEC filings.

Having said that, I would like to introduce management with us today: Eugene Landy, Founder and Chairman; Samuel Landy, President and Chief Executive Officer; Anna Chew, Executive Vice President and Chief Financial Officer; Brett Taft, Executive Vice President and Chief Operating Officer; Jim Lykins, Vice President of Capital Markets; and Daniel Landy, Executive Vice President.

It is now my pleasure to turn the call over to UMH's President and Chief Executive Officer, Samuel Landy.

Samuel A. Landy

President, CEO & Director

2025 was another strong year for UMH Properties, marked by continued operational excellence, strategic growth and solid financial performance. We made significant progress in increasing the value of our portfolio, driving occupancy gains, breaking our sales record, growing the company through external acquisitions and positioning the company for sustained future growth. The affordable housing crisis has gained national attention. Factory-built homes for sale or rent in communities is a solution to that crisis.

Normalized FFO was \$0.24 per share in the fourth quarter of 2025 compared to \$0.24 in the prior year. Normalized FFO for 2025 was \$0.95 per share compared to \$0.93 in the prior year, representing an increase of 2%. Gross normalized FFO increased 7% for the quarter and increased 15% for the year. We strive for per share earnings growth and anticipate strong earnings growth in 2026. At this time, we are announcing 2026 guidance of \$0.97 to \$1.05 per share, representing an increase of approximately 2% to 10%.

During the year, we strengthened our balance sheet through prudent capital management. We refinanced 17 communities for \$193.2 million in total proceeds at a weighted average interest rate of 5.67%, using the proceeds to repay existing debt, fund our rental home program, support capital improvements, pursue acquisitions and repurchase stock. These refinanced communities were appraised at \$309 million, representing a 121% increase over our original \$140 million investment, underscoring the significant value we've created.

Additionally, we issued \$80.2 million in 5.85% Series B bonds due 2030 to foreign investors, providing flexible capital for general corporate purposes. Further, in the fourth quarter, we repurchased 320,000 shares of our common stock at an average price of \$15.06 per share for an aggregate cost of \$4.8 million, reflecting our confidence in the company's undervaluation. We also realized \$5.7 million in gross proceeds from the sale of 100,000 shares of Realty Income Corporation from our securities portfolio.

Rental and related income, a core driver of our business, grew to \$226.7 million for the year, representing a 10% increase over last year. Our total revenue, including home sales, was \$261.8 million for the year, representing an increase of 9% over last year. Our same-property results continue to demonstrate the effectiveness of our long-term business plan. We generally purchase properties where we believe we can improve results through increased home rentals, sales income and finance income. Our team and our platform have proven time and time again that we can preserve and increase the supply of affordable housing while delivering solid and sustainable operating results.

In 2025, we delivered same-property revenue growth of 8.2% or \$16.9 million and same-property NOI growth of 9% or \$11.1 million. This growth in same-property revenue and same-property NOI was driven by site rent increases of 5% and increase in occupancy of 354 net units. Our occupancy gains continue to be driven by the successful implementation of our rental home program.

During the year, we added and rented 717 new homes across our portfolio, including those in our joint venture communities, bringing our total rental home inventory to approximately 11,000 units with a 93.8% occupancy rate. Our rental home program continues to operate efficiently with a turnover rate of approximately 20%. Our expenses per unit per year are approximately \$400. Our capitalized turnover costs vary but we are generally able to increase rents to earn 10% on any additional investments in the rental homes.

Our home sales business also performed well, generating gross revenue of \$36.4 million for the year, including contributions from our new Honey Ridge community in our joint venture with Nuveen Real Estate, representing a 9% increase from \$33.5 million in 2024. In the fourth quarter, gross home sales reached \$9.3 million, up 8% from the prior year period, including sales from Honey Ridge. We have acquired and developed communities in strong locations, which should allow us to further increase our gross sales and sales profitability in the coming quarters.

On the acquisition front, we completed the acquisition of 5 communities during the year, adding 587 developed homesites for a total purchase price of \$41.8 million. The average occupancy in these 5 communities was 78% at acquisition, providing immediate upside through the infill of vacant sites, which should result in value creation through our proven turnaround strategy.

On the expansion and development front, we officially opened Honey Ridge, our 113-site greenfield development in Honey Brook, Pennsylvania. Sales at this community are going very well, and we anticipate a rapid infill pace. Additionally, we completed the development of 34 expansion sites and made progress obtaining entitlements, which should allow us to develop 400 or more sites in 2026. Over the past 4 years, we have developed an average of approximately 200 sites per year. Expansions greatly increase the value of our existing communities. A large asset generally operates with better margins as a result of economies of scale. Additionally, these expansion sites are well located and have the potential to greatly increase our sales and sales profits.

As we fill our recently developed sites, our earnings will grow. Expansions in development require patient capital but lead to strong returns over time. UMH continues to deliver solid results while growing the company through the infill of our existing communities, acquisitions and development. We have built a best-in-class operating platform that continues to produce results year after year. We invested significant additional funds for long-term growth, which will result in stronger improvements in our operating results over the years to come. Our long-term business plan allows us to acquire communities at a discount to their stabilized value, complete improvements and over time, realize the increases in value through refinancing.

Our quality income stream is derived from our 24,000 families that have chosen to make UMH communities their home. This income stream has proven resilient through all economic cycles. Overall, these accomplishments demonstrate the resilience and growth potential of our business model.

I'll now turn the call over to Anna, our CFO, to review our financial results in more detail.

Anna T. Chew

Executive VP, CFO, Treasurer & Director

Thank you, Sam. Normalized FFO, which excludes amortization and nonrecurring items, was \$20.5 million or \$0.24 per diluted share for the fourth quarter of 2025 compared to \$19.2 million or \$0.24 per diluted share for 2024. For the full year 2025, Normalized FFO was \$80.1 million or \$0.95 per diluted share for 2025 compared to \$69.5 million or \$0.93 per diluted share for 2024, resulting in a 2% per share increase. We were able to obtain this increase in annual Normalized FFO despite our operating results being impacted by our investments in growing the company through value-add acquisitions and developments and increased expenses.

Rental and related income for the quarter was \$58.2 million compared to \$53.3 million a year ago, representing an increase of 9%. For the full year, rental and related income increased from \$207 million in 2024 to \$226.7 million in 2025, an increase of 10%. This increase was primarily due to acquisitions, increases in rental rates, same-property occupancy and additional rental homes. Community operating expenses increased 12% during the quarter and 10% for the year. This increase was mainly due to acquisitions

and an increase in payroll costs, real estate taxes, snow removal and water and sewer costs. This increase also includes onetime legal and professional fees of \$724,000 for 2025.

Despite the increase in community operating expenses, community NOI increased by 7% for the quarter from \$31.1 million in 2024 to \$33.3 million in 2025 and increased by 9% for the full year from \$119.7 million in 2024 to \$130.7 million in 2025. Our same-property results continue to meet our expectations. Same-property income increased by 8% for both the quarter and for the year, generating same-property NOI growth of 6% for the quarter and 9% for the year.

From a liquidity standpoint, we ended the year with \$72 million in cash and cash equivalents and \$260 million available on our credit facility with a potential total availability of up to \$500 million pursuant to an accordion feature. We also had \$129 million available on our revolving lines of credit for the financing of home sales and the purchase of inventory and \$55 million available on our lines of credit secured by rental homes and rental home leases.

During the year, we issued \$80.2 million in 5.85% Series B bonds due 2030 to foreign investors, providing flexible capital for general corporate purposes. As we turn to our capital structure, at year-end, we had approximately \$761 million in debt, of which \$556 million was community level mortgage debt, \$28 million was loans payable and \$177 million was our 4.72% Series A bonds and 5.85% Series B bonds. 99% of our total debt is fixed rate. The weighted average interest rate on our mortgage debt was 4.73% at year-end compared to 4.18% at year-end last year. The weighted average maturity on our mortgage debt was 6.1 years at year-end and 4.4 years at year-end last year. The weighted average interest rate on our short-term borrowings was 6.38% as compared to 6.54% last year. In total, the weighted average interest rate on our total debt was 4.9% at year-end compared to 4.38% at year-end last year.

In 2025, we successfully refinanced 17 communities, generating total proceeds of \$193.2 million at a weighted average rate of 5.67%. This capital was used to repay existing debt, invest in our rental home program, capital improvements, acquire new communities and buy back our common stock. The appraisals conducted for the refinancing demonstrates the value created by our business plan. Our total investment in these communities was approximately \$140 million or \$37,000 per site, and they were valued at approximately \$309 million or \$82,000 per site, generating an increase in value of \$169 million, representing an increase of 121% in value, which, as Sam mentioned, underscores the significant value we've created.

During 2026, we have 6 mortgages maturing totaling \$38.2 million and expect to have the same success in refinancing these communities. At year-end, UMH had a total of \$323 million in perpetual preferred equity. Our preferred stock, combined with an equity market capitalization of over \$1.3 billion and our \$761 million in debt results in total market capitalization of approximately \$2.4 billion at year-end as compared to \$2.5 billion last year.

In the fourth quarter of 2025, we repurchased 320,000 shares of our common stock at a weighted average price of \$15.06 per share for a total of \$4.8 million, reflecting our confidence in the company's undervaluation. Our common stock repurchase program allows us to repurchase up to \$100 million of our common stock, and we will continue to monitor the market to determine the appropriate time to continue using the program.

During the year, we issued and sold 2.6 million shares of common stock through our common ATM program, generating net proceeds of approximately \$44.1 million. Currently, the common ATM program remains closed. The company also received \$9.3 million, including dividends reinvested through the DRIP. In addition, we issued and sold 93,000 shares of our Series D Preferred Stock during 2025 through the Preferred ATM Programs, generating net proceeds of approximately \$2 million. Subsequent to year-end, we issued 66,000 shares of our Series D Preferred Stock through our preferred ATM program, generating net proceeds of approximately \$1.5 million.

From a credit standpoint, we ended the year with net debt to total market capitalization of 28.3%, net debt less securities to total market capitalization of 27.3%, net debt to adjusted EBITDA of 5.4x and net debt less securities to adjusted EBITDA of 5.2x. Interest coverage was 3.6x and fixed charge coverage was 2.3x. Additionally, we had \$23.8 million in our REIT securities portfolio, most of which is unencumbered. The portfolio represents only approximately 1.1% of our undepreciated assets. We are committed to not increasing our investments in our REIT securities portfolio aside from dividend reinvestment and have, in fact, continued to sell certain positions.

During 2025, we realized \$5.7 million in gross proceeds from the sale of 100,000 shares of Realty Income Corporation from our securities portfolio. We are well positioned to continue to grow the company internally and externally and are introducing 2026 Normalized FFO guidance in a range of \$0.97 to \$1.05 per share.

And now let me turn it over to Gene before we open it up for questions.

Eugene W. Landy

Founder & Chairman of the Board

Thank you, Anna. UMH is well positioned as a leader in the manufactured housing industry. We now own 145 communities containing 27,100 developed homesites with approximately 11,000 rental homes on those sites. Every year, we make a considerable amount of progress building an irreplaceable company and best-in-class operating platform. Our business plan has resulted in outstanding operating results, growing earnings per share and an overall larger, more profitable company. We intend to continue growing the company through compelling acquisitions when they are available, developing our vacant land, the investment in rental homes and further increasing the profitability of our sales company. We accomplished all of this while executing on our mission of providing the nation with much needed high-quality affordable housing.

Our portfolio of communities has materially grown over the years. We have selectively acquired well-located communities that have benefited from our capital improvements and rental home program. I am proud to say that every community we own is in better condition today than the day we bought it. Our investments in our communities provide the highest quality of living at the most affordable price in just about any market we operate in. These investments generate strong demand, which results in waiting list for rental homes and increased home sales.

Our 4,000 acres of land in the Marcellus and Utica Shale areas have considerable unrecognized value that will become more apparent as we continue generating revenue through lease signing bonus and royalty income. Our 2,300 acres of vacant land also carry substantial value as we explore the expansion of our communities or other uses such as single-family home developments, apartments or data centers. In addition, the recent announcement to build a new natural gas generation facility in Portsmouth, Ohio, which will be the largest natural gas generation facility in history, generating 9.2 gigawatts of power, further supports the untapped potential value we have in the 4,000 acres we own within the Marcellus and Utica Shale regions.

Our country needs an affordable housing solution. We are working diligently to do more to help provide this housing and position manufactured housing as the preferred solution to the problem. Housing is a bipartisan issue, and we believe that new legislation will encourage new development of manufactured housing communities. Additionally, two-story and duplex homes will increase the viability of manufactured housing in urban areas and areas with higher land costs. Changes to finance laws could result in lower cost loans for our tenants, which will further improve the fundamentals of our business. We are well positioned to benefit from these legislative changes and are excited about the prospects of each of them.

Looking ahead to 2026, we anticipate strong growth prospects supported by positive industry fundamentals. Demand for affordable housing remains high, and our sector benefits from limited new supply and favorable demographics. Our recent acquisitions and ongoing community improvements will further contribute to organic growth, while our joint venture and opportunity zone fund provide additional avenues for long-term growth while limiting the impact on our short-term earnings. We expect these factors to drive continued FFO growth in 2026. Our team is focused on executing our strategy to deliver long-term value for shareholders. Thank you again for joining us today. Operator, we are now ready to take questions.

Question and Answer

Operator

[Operator Instructions] And the first question will come from Rich Anderson with Cantor Fitzgerald.

Richard Charles Anderson

Cantor Fitzgerald & Co., Research Division

Great year and forward-looking perspective. I want to ask about the rental versus home sale strategy. You sort of focus on rentals as the sort of the driver to the growth story, you're breaking records in selling homes. I know the rental business is a byproduct of the Dodd-Frank legislation and so on. But I'm curious if you guys have an idea in mind and what the ultimate breakout in the portfolio might be between rental and owned homes if there's sort of a sweet spot in your mind?

Samuel A. Landy

President, CEO & Director

Rich, Sam here. We will always use the rentals because there's so many people just looking for short-term housing, 1 year to 3 years. There are so many people who never lived in a manufactured home community, don't really know what to expect, don't understand the houses. So the renting program creates buyers and fills sites so much quicker than selling homes. So we never won't have rentals, and we have 11,000 of them today. But the new changes to the Title I finance laws, right now, there's a limit to how much you can finance approximately \$70,000, and they might increase that. And those are government-guaranteed loans that the customer only needs 3% down. That could dramatically increase our sale of the older rental units because somebody can switch their home rent portion of their payment. If they're paying \$1,000 a month, \$500 lot rent, \$500 is the rent for the house, they could convert that \$500 rent for the house to a loan payment so that for the future, they're always building equity. It will never increase. It's beneficial to them, and then they own the house, which is beneficial to us. So we could be buying brand-new homes for \$75,000, selling old homes for \$60,000 and only needing \$15,000 cash as to replace them.

So we're perfectly happy doing Memphis Blues as 100% rental communities. Rentals work. We consider it horizontal apartments. We take all the efficiencies of factory-built housing and that efficiency is cumulative. Even people in the business don't really understand how much better and more cost-effective our houses get year after year. If you look at a 1970s home and you look at the house of today, there's nothing in common. They're complete different houses. And yet the affordability component is better than ever in comparison to any other type of housing.

So we take that fantastic efficiency of the factory-built home plus the efficiency of managing 250 lots on approximately 40 acres and pass that on to the customer and how many people have household income of only \$40,000, and they can rent the house from us for \$1,000 per month, which is 30% of income, and there's nothing else they could have as good in such a high-quality community. So it works every time and then generates sales because as people live in our communities as they think they might want a bigger house, a multi-section house, they feel comfortable buying it.

Richard Charles Anderson

Cantor Fitzgerald & Co., Research Division

Okay. So would you say like the sweet spot rental versus home owned is just for a lack of a better number, 50-50 as an efficient frontier for UMH?

Samuel A. Landy

President, CEO & Director

I'm going to say yes, and I just want to -- every community is different. So some communities can be 100% rental. You get to New Jersey, you almost have 0 rentals. So every community is different. But as a company, do I think we'll have 50% rentals? Yes.

Richard Charles Anderson

Cantor Fitzgerald & Co., Research Division

Okay. On the same-store performance, you had some elevated expenses in the fourth quarter. I assume that was snow removal and weather related. What would it have been without that if you were to normalize a normal quarter's worth of expenses, would have been approaching a 10%-ish type number, same-store NOI?

Brett Taft

Executive VP & COO

Yes, exactly, Rich, and this is Brett here. And just looking at the numbers for the year, we were very happy with the 8.2% revenue growth, the 7% community operating expense number and the overall 9% community NOI increase. So that's pretty close to where we expect it to be. We're always out there saying we anticipate expenses to rise 5% to 7%. We did have elevated snow removal costs. We did have overtime related to snow removal. We also had additional tree removal related to snow removal in the fourth quarter. And then you've got some real estate tax increases and some insurance expenses that also increased that overall number.

So looking at a normal quarter without the bad winter we've had, we do expect that we would have been in that 10% range. But looking forward, we anticipate being able to get our 800 new rentals installed and rented. We anticipate to get our annual rent increases and we should be able to control our expenses in that 5% to 7% range, which, again, should result in high single-digit or low double-digit NOI growth, which is where we've been over the past few years.

Richard Charles Anderson

Cantor Fitzgerald & Co., Research Division

Okay. And last for me. Any meaningful change to home prices, supply chain issues, tariffs, blah, blah, blah. Like how is that changing what the wholesale cost is for your homes when you kind of bring them into your community and then either rent or sell them? What has the dynamic been there lately?

Samuel A. Landy

President, CEO & Director

Yes, Sam here, Brett will elaborate. But everything I see is favorable. No dramatic waits for houses. Prices actually, in some cases, coming down. Go ahead, Brett.

Brett Taft

Executive VP & COO

Yes. No, prices are in a very similar position to where they were all of this year and last year. We'll keep an eye on that going forward. But we're still able to get our rental homes in the \$75,000 to \$80,000 range, which positions us well to rent homes at \$1,000, \$1,200 or \$1,400 a month depending on the market. Factory backlogs for the most part, are in good shape in the 6- to 8-week range. There's a few factories that are a little bit further out than that but we're working with those manufacturers to try and either get homes or find a comparable home from another factory. So we don't anticipate any problems getting homes, getting them set up with the one caveat being that it's been a very snowy winter in most of our locations. So that does slow down sets (sic) [our sales] a little bit. But demand is strong for both sales and rentals. We have homes either on site or being delivered to the sites. They're being set up in a timely manner, and we anticipate similar occupancy gains in 2026.

Operator

The next question will come from Barry Oxford with Colliers.

Barry Paul Oxford

Colliers Securities LLC, Research Division

Sam, real quick, if you could kind of walk me through -- I understand some of the headwinds that existed in 2025. But then when I look at what you're doing on a same-store NOI internal growth, very strong numbers, no reason to think, at least at this particular juncture, that you won't be able to put up similar numbers. But yet when I look at the low end of your guidance at \$0.97, that's only \$0.02 more than what you did this year. Can you help me kind of walk through what's holding back the FFO per share?

Samuel A. Landy

President, CEO & Director

I think you're better suited asking Jim to answer on the guidance. Go ahead, Jim.

James O. Lykins

Vice President of Capital Markets

So that could be a number of things, Barry. Home sales could be worse than what we're anticipating. We could potentially raise capital that we're not anticipating right now. But sitting here right now, we would expect to come in right in the middle of that range. That's

kind of a sitting here right now, worst case and best case scenario, we don't consider that number to be either conservative or overly optimistic. We think it's straight down the fairway.

Samuel A. Landy
President, CEO & Director

And the only thing I'll add to that, we really don't know what sales will be. Two -- communities in 2024, between the 2 of them had approximately \$8 million in sales that were full in '25. So we couldn't have any sales from them in '25. And they will have available lots in '26. So that there's a potential of all the sales in '25 plus \$6 million just from those locations. Additionally, there's other expansions just built, places where you're getting to -- as expansions or new communities become more mature, the sales get easier. So there's a lot of reason to be even more optimistic on sales but you just never know because there's so many factors that come into it. But if everything goes right, sales can really get beyond \$40 million in a year.

Operator

The next question will come from Gaurav Mehta with Alliance Global Partners.

Gaurav Mehta
Alliance Global Partners, Research Division

I wanted to ask you on the rental homes outlook of 700 to 800 homes this year. What's the timing of that? Do you expect that to be evenly split during 4 quarters?

Brett Taft
Executive VP & COO

Probably not evenly spread as we are seasonal. And as I just mentioned, the first quarter, we are experiencing some challenges with incredibly cold temperatures and snow, which unfortunately, does slow things down on the home set and in some cases, the move-in. But I am happy to say that sitting here now, we're happy with where sales are. We're happy with the occupancy gains we've seen so far this year. We do have 100 homes in inventory that are fully set up and ready for occupancy at the moment, and we've got another 380 homes being set up. So we should see some occupancy growth in the first quarter. The second and third quarter is where the majority of that occupancy growth will come in and the fourth quarter does tail off a little bit. But we do expect it to be heavily weighted to the spring and summer months, and that's pretty consistent with previous years as well.

Gaurav Mehta
Alliance Global Partners, Research Division

Okay. Second question, maybe on the acquisition opportunities. What are you guys seeing in the market as far as acquiring new properties?

Brett Taft
Executive VP & COO

Yes. The acquisition market remains competitive, high-quality assets that are well located and stabilized are trading in the sub-5% area in most cases, in some cases, sub-4%. We are looking at several smaller portfolio opportunities and one-off acquisitions that could trade in the 5% to 6% range but we're out there analyzing the opportunities, doing our detailed underwriting and making sure that we fully account for any capital items that may be needed and get the right deals in the right locations to continue our growth and try and put together deals that are accretive to earnings. So nothing to report on the pipeline at the moment. We were very happy to find 5 communities to acquire last year. Those 587 sites for \$41.8 million in markets that we like and think we'll do well in for the future. So we're out there looking for those similar opportunities in 2026.

Samuel A. Landy
President, CEO & Director

And I'll just mention the joint venture with Nuveen for newly built communities as well as the opportunity zone fund create incredible opportunity to expand what we've done in new community construction. UMH, the parent company, can only develop so many new sites per year because it's a loss business for 3 to 5 years. But doing it in a joint venture or doing it in the opportunity zone fund, there's almost no limit to how much we can do, and that has incredible potential to allow us to build new communities throughout the country.

Operator

The next question will come from John Massocca with B. Riley.

John James Massocca

B. Riley Securities, Inc., Research Division

So apologies if I missed this earlier in the call but been hopping around between a couple of different earnings calls. But with regards to the guidance provided, any color on what you're expecting in terms of the contribution from new home sales and just the kind of scale of potential new home sales in 2026?

Samuel A. Landy

President, CEO & Director

Jim, you can tell us what you used. Yes.

James O. Lykins

Vice President of Capital Markets

So we -- John, we haven't disclosed what we -- or what the amount will be in anticipated home sales this year or the number. I would just tell you that we assume an improvement. Sam mentioned earlier that we could get to \$40 million. So I would keep that in mind but we haven't disclosed an actual dollar amount where we anticipate sales coming in.

Samuel A. Landy

President, CEO & Director

I was just going to -- sales are very difficult to predict, but we have more available expansion sites than we've ever had in the past. We have the turnaround communities such as Oak Tree in New Jersey. We have a lot of locations that could potentially increase sales more than conservative people would expect.

John James Massocca

B. Riley Securities, Inc., Research Division

Okay. In terms of the in-place portfolio, any changes you're seeing in terms of delinquency or the bad debt outlook?

Brett Taft

Executive VP & COO

No, Collections remain incredibly strong in that 98.5% range. It really hasn't fluctuated too much. Every year around the holidays, it goes down a little bit but then picks back right up towards the end of January. So rent continues to be paid. We haven't had any issues passing through our annual rent increases and don't anticipate any changes coming here shortly but constantly monitor it and if anything changes, everybody will know.

Anna T. Chew

Executive VP, CFO, Treasurer & Director

And our write-offs are approximately 1% or a little less of our rental and related income. And that has been consistent for the last, I don't know how many years.

John James Massocca

B. Riley Securities, Inc., Research Division

And then one thing, apologies if this is already addressed in the call, but you sold some shares out of the marketable securities portfolio. Is that something you think you could continue doing going into 2026? Or was that kind of one-off in nature?

Eugene W. Landy

Founder & Chairman of the Board

No, no. We have announced that we have a \$100 million buyback. And of course, the timing of the buying back shares depends on whether we have any acquisitions, whether we invest in new greenfield developments more than we originally planned. And the whole purpose of the securities program is always to keep liquidity. And so we have about \$26 million in liquidity there but we also have unused bank lines of \$260 million. We've been conservative, and we plan to keep being conservative but we do eventually intend to carry less cash because it puts a drag on our earnings, and we do plan to eventually take down the securities program to 0. But at the

present time, we like having \$26 million available for any acquisition or other reason (sic) [reasons] we would need capital. We're a very conservative company, and we intend to continue to do that. But we will be reducing the securities program.

John James Massocca

B. Riley Securities, Inc., Research Division

Okay. And I guess was the reason for tapping that due to the buyback you had in place, you thought your stock was more attractive than maybe the valuation on some of the assets in the marketable securities portfolio?

Eugene W. Landy

Founder & Chairman of the Board

No, the securities portfolio at its present low level, we're very pleased with the securities portfolio, have nothing but admiration for the 3 basic companies that are in it, and we think they're great investments. We just think our own properties are better investment.

Operator

This concludes our question-and-answer session. I would like to turn the conference back over to Samuel Landy for any closing remarks.

Samuel A. Landy

President, CEO & Director

Thank you, operator. I would like to thank the participants on this call for their continued support and interest in our company. As always, Gene, Anna, Brett and I are available for any follow-up questions. We look forward to reporting back to you in early May with our first quarter 2026 results. Thank you.

Operator

The conference has now concluded. Thank you for attending today's presentation. The teleconference replay will be available in approximately 1 hour. To access this replay, please dial U.S. toll-free 1 (877) 344-7529 or international (412) 317-0088. The conference access code is 1544518. Thank you, and please disconnect your lines.

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