



Opening doors to the future™

### UDR, Inc. Reports Tax Status of 2010 Dividends

Denver, CO., January 24, 2011 – [UDR, Inc.](#) (NYSE: UDR), reported today the tax status of its 2010 dividends paid to shareholders. Details on the classifications of the dividends are included in the table below:

Payment Date	Distribution Per Share	Ordinary Taxable Dividend	Qualified Ordinary	Long-Term Gain	Unrecaptured Section 1250 Gain	Return of Capital
<b>Common shares:</b>						
2/1/2010	0.18000	95.502%	0.00%	2.515%	1.983%	0.00%
4/30/2010	0.18000	95.502%	0.00%	2.515%	1.983%	0.00%
8/2/2010	0.18000	95.502%	0.00%	2.515%	1.983%	0.00%
11/1/2011	0.18500	95.502%	0.00%	2.515%	1.983%	0.00%
<b>Total</b>	<b><u>\$0.72500</u></b>					
<b>Preferred Shares Series E:</b>						
1/31/2010	0.33220	95.502%	0.00%	2.515%	1.983%	0.00%
4/30/2010	0.33220	95.502%	0.00%	2.515%	1.983%	0.00%
8/2/2010	0.33220	95.502%	0.00%	2.515%	1.983%	0.00%
11/1/2010	0.33220	95.502%	0.00%	2.515%	1.983%	0.00%
<b>Total</b>	<b><u>\$1.32880</u></b>					
<b>Preferred Shares Series G:</b>						
1/30/2010	0.421875	95.502%	0.00%	2.515%	1.983%	0.00%
4/30/2010	0.421875	95.502%	0.00%	2.515%	1.983%	0.00%
7/30/2010	0.421875	95.502%	0.00%	2.515%	1.983%	0.00%
11/1/2010	0.421875	95.502%	0.00%	2.515%	1.983%	0.00%
<b>Total</b>	<b><u>\$1.68750</u></b>					

Shareholders of record of the Company's common and preferred stock will receive an Internal Revenue Service Form 1099-DIV from Wells Fargo Shareowner Services, the Company's 2010 dividend paying agent. The form will report the dividends paid and the amounts designated as total ordinary dividends, qualified dividends, total capital gains, unrecaptured section 1250 gains, and nontaxable dividends. If shares were held in "street name" during 2010, the IRS form will be provided by a bank, brokerage firm, or nominee and the information set forth above may be needed to properly complete the shareholder's federal tax return. Because the Company's tax return has not yet been filed for year ended December 31, 2010, the dividend income tax allocations presented herewith have been calculated using the best available information to date.

The tax treatment of these dividends by state and local authorities varies and may not be the same as the IRS's treatment. Because federal and state tax laws affect individuals differently, the Company cannot advise shareholders on how dividends should be reported on their tax returns. The Company encourages shareholders to consult with their own tax advisors with respect to the federal, state and local income tax consequences of these dividends.

#### About UDR, Inc.

UDR, Inc. (NYSE: UDR), an S&P 400 company, is a leading multifamily real estate investment trust with a demonstrated performance history of delivering superior and dependable returns by successfully managing, buying, selling, developing and redeveloping attractive real estate properties in targeted U.S. markets. As of November 8, 2010, UDR owned or had an ownership position in 58,796 apartment homes including 712 homes under development. For over 38 years, UDR has delivered long-term value to shareholders, the best standard of service to residents, and the highest quality experience for associates. Additional information can be found on the Company's website at [www.udr.com](http://www.udr.com).

#### **Contact: UDR, Inc.**

H. Andrew Cantor, UDR, Inc.  
[acantor@udr.com](mailto:acantor@udr.com)  
720-283-6083