UDR Opening doors to the future®

Press Release

DENVER, CO – October 28, 2014

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UDR ANNOUNCES THIRD QUARTER 2014 RESULTS

~ Reports Third Quarter AFFO per Share of $0.34 ~

Third Quarter 2014 Highlights:

- Funds from Operations ("FFO") per share was $0.41 (+12% year-over-year), FFO as Adjusted per share was $0.38 (+8%) and AFFO per share was $0.34 (+9%).
- Year-over-year same-store ("SS") revenue and net operating income ("NOI") growth for the quarter were 4.4 percent and 5.1 percent, respectively.
- Sold a community located in Orlando, FL and two Norfolk, VA communities containing 963 homes for $97 million at a weighted average 6.2 percent cash flow cap rate.
- Through 1031 transactions, acquired two recently constructed communities in metro Seattle for $121 million at a weighted average 4.5 percent stabilized cash flow cap rate.
- Started a $125 million, 381-home development project with MetLife in a 50/50 joint venture located in Irvine, CA. The project is scheduled for completion in early 2017.
- Issued ~$100 million of ATM equity at Street consensus NAV. Proceeds will primarily fund the Company's accretive, $92 million Steele Creek participating loan investment.
- Received a senior unsecured credit upgrade from Moody's Investor Services to Baa1 and a changed outlook from S&P Rating Services to BBB, Positive.
- Increased full-year 2014 earnings and same-store growth guidance:
  - FFO, FFO as Adjusted and AFFO per share guidance increased by $0.01 at the midpoints.
  - SS revenue growth guidance: 4.00 to 4.50 percent (+25 bps at the midpoint).
  - SS expense growth guidance: 2.25 to 2.75 percent (+50 bps at the midpoint).
  - SS NOI growth guidance: 4.75 to 5.25 percent (no change but tightened range).

	Q3 2014	Q3 2013	YTD 2014	YTD 2013
FFO per share	**$0.41**	**$0.37**	**$1.16**	**$1.09**
Acquisition-related costs (including JVs)	0.001	-	0.001	-
Net gain on prepayment of note receivable	(0.032)	-	(0.032)	-
Casualty-related (recoveries)/charges, net	-	(0.015)	0.002	(0.037)
Other	-	-	(0.004)	-
FFO as Adjusted per share	**$0.38**	**$0.36**	**$1.13**	**$1.05**
Recurring capital expenditures	(0.046)	(0.045)	(0.113)	(0.117)
AFFO per share	**$0.34**	**$0.31**	**$1.01**	**$0.93**

A reconciliation of FFO, FFO as Adjusted and AFFO to GAAP Net Income attributable to UDR, Inc. can be found on Attachment 2 of the Company's third quarter supplemental package.

Operations

Same-store NOI increased 5.1 percent year-over-year in the third quarter of 2014 driven by same-store revenue growth of 4.4 percent against a 2.9 percent increase in same-store expenses. Same-store physical occupancy was 96.8 percent as compared to 96.2 percent in the prior year period. The annualized rate of turnover decreased 450 basis points year-over-year to 63.5 percent in the quarter.

Summary of Same-Store Results Third Quarter 2014 versus Third Quarter 2013

Region	Revenue Growth	Expense Growth	NOI Growth	% of Same-Store Portfolio(1)	Same-Store Occupancy(2)	Number of Same-Store Homes(3)
West	6.4%	3.6%	7.5%	41.6%	96.8%	12,430
Mid-Atlantic	0.8%	2.6%	0.0%	23.4%	96.6%	8,986
Southeast	5.3%	4.7%	5.6%	14.7%	96.9%	8,467
Northeast	4.6%	0.4%	6.1%	13.1%	97.1%	2,387
Southwest	4.3%	0.8%	6.6%	7.2%	97.3%	3,998
Total	**4.4%**	**2.9%**	**5.1%**	**100.0%**	**96.8%**	**36,268**

(1) Based on Q3 2014 NOI.

(2) Average same-store occupancy for the quarter.

(3) During the third quarter, 36,268 apartment homes, or approximately 90 percent of 40,477 total consolidated apartment homes (versus 51,699 apartment homes inclusive of joint ventures and development pipeline homes upon completion), were classified as same-store. The Company defines QTD SS Communities as those communities stabilized for five full consecutive quarters. These communities were owned and had stabilized occupancy and operating expenses as of the beginning of the quarter in the prior year, there is no plan to conduct substantial redevelopment activities, and the community is not held for disposition within the current year.

Sequentially, third quarter results followed typical seasonal trends with the Company's same-store NOI decreasing by 0.2 percent on revenue growth of 1.4 percent against a 5.1 percent increase in expenses.

For the nine months ended September 30, 2014, the Company's same-store revenue increased 4.4 percent as compared to the prior year period in 2013. Same-store expenses increased 2.4 percent year-over-year resulting in a same-store NOI increase of 5.3 percent as compared to the prior year period in 2013. Year-over-year same-store physical occupancy increased by 50 basis points to 96.6 percent.

Summary of Same-Store Results YTD 2014 versus YTD 2013

Region	Revenue Growth	Expense Growth/ (Decline)	NOI Growth	% of Same-Store Portfolio(1)	Same-Store Occupancy(2)	Number of Same-Store Homes(3)
West	6.3%	2.9%	7.7%	41.1%	96.2%	11,847
Mid-Atlantic	1.2%	3.1%	0.4%	25.2%	96.7%	8,986
Southeast	5.0%	1.3%	6.9%	16.1%	96.8%	8,467
Northeast	4.4%	(0.5)%	6.2%	10.0%	96.9%	1,879
Southwest	5.0%	3.7%	5.8%	7.6%	97.1%	3,998
Total	**4.4%**	**2.4%**	**5.3%**	**100.0%**	**96.6%**	**35,177**

(1) Based on YTD 2014 NOI.

(2) Average same-store occupancy for YTD 2014.

(3) During the nine months ended September 30, 2014, 35,177 apartment homes, or approximately 87 percent of 40,477 total consolidated apartment homes, were classified as same-store. The Company defines YTD SS Communities as those communities stabilized for two full consecutive calendar years. These communities were owned and had stabilized occupancy and operating expenses as of the beginning of the prior year, there is no plan to conduct substantial redevelopment activities, and the community is not held for disposition within the current year.

Development and Redevelopment Activity

At the end of the third quarter, the Company's under construction and recently completed development pipeline totaled $1.0 billion. After including the Company's wholly-owned and joint venture stabilized, non-mature developments, the pipeline was expected to produce a weighted average spread between estimated stabilized construction yields and current market cap rates toward the upper end of the Company's 150 to 200 basis point targeted range. The under construction and recently completed pipeline was 73 percent funded at quarter end. Of the remaining $733 million in development projects left to complete at the Company's pro-rata ownership interest, $183 million is expected to be completed in 2014, $326 million in 2015, $162 million in 2016 and the remainder in 2017.

One new development was started during the third quarter. The Residences at 2801 Kelvin, a 381-home community located in Irvine, CA with a total budgeted cost of $125 million, is being developed in a 50/50 joint venture with MetLife. The project is scheduled for completion in early 2017.

Transactional Activity

During the quarter, the Company disposed of three communities containing 963 homes in Orlando, FL and Norfolk, VA for approximately $97 million in total proceeds. Combined, the three sales were transacted at a weighted average 6.2 percent cash flow cap rate, had a weighted average monthly rent per occupied home of $1,050 and were 20 years old on average. Additionally, the Company sold a small commercial property located in Glendale, CA for $11 million in July 2014.

Later in the third quarter, the Company completed two 1031 acquisitions in Seattle. The communities, Lightbox and Waterscape at Juanita Village, were acquired for $121 million at a weighted average, stabilized cash flow cap rate of 4.5 percent. Both communities are newly constructed and near 90 percent occupied. Lightbox, located in the University district of Seattle and adjacent to the Company's Kennedy community, contains 162 homes. Waterscape, located adjacent to Lake Washington in Kirkland is positioned near Google's expanding Seattle campus, and has 196 homes.

Joint Venture / Partnership Investment Activity

As previously discussed in this press release, the Company started a $125 million development project in Irvine, CA in a 50/50 joint venture with MetLife during the quarter.

Capital Markets

During the third quarter, the Company issued approximately 3.4 million shares through its At-the-Market equity program at an average gross price of $29.95. Net of fees, the shares were issued at an average price of $29.36 for proceeds of approximately $100 million. Proceeds will primarily fund the Company's accretive $92 million Steele Creek participating loan investment located in Denver, CO.

As previously announced, on July 16, 2014, the Company received proceeds totaling $36 million from the prepayment of a "B" note it held. This resulted in a net gain of approximately $8.4 million, or $0.03 of FFO per share, which was recognized during the quarter. The gain was excluded from FFO as Adjusted and AFFO per share results.

Balance Sheet

During the quarter, Moody's Investor Services upgraded the Company's senior unsecured credit rating to Baa1 and S&P Rating Services changed its outlook for the Company's senior unsecured credit rating to BBB, Positive.

At September 30, 2014, the Company had $755 million in availability through a combination of cash and undrawn capacity on its credit facility.

The Company's total indebtedness at September 30, 2014 was $3.6 billion. The Company ended the quarter with fixed-rate debt representing 85 percent of its total debt, a total blended interest rate of 4.0 percent and a weighted average maturity of 4.5 years. The Company's leverage was 39.2 percent versus 39.0 percent a year ago, net debt-to-EBITDA was 6.7x versus 7.0x a year ago and fixed charge coverage was 3.4x versus 3.2x a year ago.

Dividend

As previously announced, the Company's Board of Directors declared a regular quarterly dividend on its common stock for the third quarter of 2014 in the amount of $0.26 per share. The dividend will be paid in cash on October 31, 2014 to UDR common stock shareholders of record as of October 10, 2014. The third quarter 2014 dividend will represent the 168th consecutive quarterly dividend paid by the Company on its common stock.

On an annualized declared basis, the Company's $1.04 per share 2014 dividend represents an 11 percent increase versus 2013.

Outlook

For the fourth quarter of 2014, the Company has established the following guidance ranges:

	Current
FFO per share	$0.38 to $0.40
FFO as Adjusted per share	$0.38 to $0.40
AFFO per share	$0.33 to $0.35

For the full-year 2014, the Company has increased its earnings guidance ranges by $0.01 at the midpoints due to a variety of items. Below are the full-year guidance ranges:

	Revised	Previous
FFO per share	$1.54 to $1.56	$1.52 to $1.56
FFO as Adjusted per share	$1.51 to $1.53	$1.49 to $1.53
AFFO per share	$1.34 to $1.36	$1.32 to $1.36

For the full-year 2014, the Company has increased its same-store revenue growth guidance range which is offset by higher expected same-store expense growth. Same-store NOI growth expectations remain unchanged at the midpoint although the range was tightened. Below are the full-year guidance ranges:

	Revised	Previous
Revenue	4.00% to 4.50%	3.75% to 4.25%
Expense	2.25% to 2.75%	1.75% to 2.25%
Net operating income	4.75% to 5.25%	4.50% to 5.50%
Physical occupancy	96.5%	96.5%

Additional assumptions for the Company's fourth quarter and full-year 2014 guidance can be found on Attachment 15 of the Company's third quarter Supplemental Financial Information.

Supplemental Information

The Company offers Supplemental Financial Information that provides details on the financial position and operating results of the Company which is available on the Company's website at www.udr.com.

Conference Call and Webcast Information

UDR will host a webcast and conference call at 1:00 p.m. Eastern Time on October 29, 2014 to discuss third quarter results. The webcast will be available on UDR's website at www.udr.com. To listen to a live broadcast, access the site at least 15 minutes prior to the scheduled start time in order to register, download and install any necessary audio software.

To participate in the teleconference dial 888-293-6979 for domestic and 719-325-2289 for international and provide the following conference ID number: 1383808.

A replay of the conference call will be available through November 28, 2014, by dialing 888-203-1112 for domestic and 719-457-0820 for international and entering the confirmation number, 1383808, when prompted for the pass code.

A replay of the call will be available for 30 days on UDR's website at www.udr.com.

Full Text of the Earnings Report and Supplemental Data

Internet -- The full text of the earnings report and Supplemental Financial Information will be available on the Company’s website at www.udr.com.

Mail -- For those without Internet access, the third quarter 2014 earnings report and Supplemental Financial Information will be available by mail or fax, on request. To receive a copy, please call UDR Investor Relations at 720-348-7762.

Attachment 16(B)

UDR, Inc.
Definitions and Reconciliations
September 30, 2014
(Unaudited)

Funds From Operations ("FFO"): The Company defines FFO as net income (computed in accordance with GAAP), excluding impairment write-downs of depreciable real estate or of investments in non-consolidated investees that are driven by measurable decreases in the fair value of depreciable real estate held by the investee, gains (or losses) from sales of depreciable property, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. This definition conforms with the National Association of Real Estate Investment Trust's definition issued in April 2002 and is comparable to FFO, diluted in Attachment 2. In the computation of diluted FFO, OP units, unvested restricted stock, stock options, and the shares of Series E Cumulative Convertible Preferred Stock are dilutive; therefore, they are included in the diluted share count.

Activities of our taxable REIT subsidiary (TRS), RE^3, include development and land entitlement. From time to time, we develop and subsequently sell a TRS property which results in a short-term use of funds that produces a profit that differs from the traditional long-term investment in real estate for REITs. We believe that the inclusion of these TRS gains in FFO is consistent with the standards established by NAREIT as the short-term investment is incidental to our main business. TRS gains on sales, net of taxes, are defined as net sales proceeds less a tax provision and the gross investment basis of the asset before accumulated depreciation.

Management considers FFO a useful metric for investors as the Company uses FFO in evaluating property acquisitions and its operating performance and believes that FFO should be considered along with, but not as an alternative to, net income and cash flow as a measure of the Company's activities in accordance with GAAP. FFO does not represent cash generated from operating activities in accordance with GAAP and is not necessarily indicative of funds available to fund our cash needs. A reconciliation from net income attributable to UDR, Inc. to FFO is provided on Attachment 2.

Held For Disposition Communities: The Company defines Held for Disposition Communities as those communities that were held for sale as of the end of the most recent quarter.

Interest Coverage Ratio: The Company defines Interest Coverage Ratio as net income, excluding the impact of interest expense, real estate depreciation and amortization of wholly owned and joint venture communities, other depreciation and amortization, noncontrolling interests, net gain on the sale of depreciable property, RE^3 income tax, divided by total interest.

Management considers interest coverage ratio a useful metric for investors as it provides ratings agencies, investors and lending partners with a widely-used measure of the Company's ability to service its debt obligations as well as compare leverage against that of its peer REITs. A reconciliation of the components that comprise interest coverage ratio is provided on Attachment 4(C) of the Company's quarterly supplemental disclosure.

Joint Venture Reconciliation at UDR's Weighted Average Pro-Rata Ownership Interest

In thousands	Q3 2014	YTD 2014
Income/(loss) from unconsolidated entities	$ (939)	$ (4,932)
Management fee	1,054	2,888
Interest expense	8,248	23,051
Depreciation	10,398	29,926
General and administrative	105	391
Other income/expense	(563)	(1,310)
Total Joint Venture NOI at UDR's Pro-Rata Ownership	$ 18,303	$ 50,014

JV Return on Equity ("ROE"): The Company defines JV ROE as the pro rata share of property NOI plus property and asset management fee revenue less interest expense, divided by the average of beginning and ending equity capital for the quarter.

Management considers ROE a useful metric for investors as it provides a widely used measure of how well the Company is investing its capital on a leveraged basis.

JV Return on Invested Capital ("ROIC"): The Company defines JV ROIC as the pro rata share of property NOI plus property and asset management fee revenue divided by the average of beginning and ending invested capital for the quarter.

Management considers ROIC a useful metric for investors as it provides a widely used measure of how well the Company is investing its capital on an unleveraged basis.

Net Debt to EBITDA: The Company defines net debt to EBITDA as total debt net of cash and cash equivalents divided by EBITDA. EBITDA is defined as net income, excluding the impact of interest expense, real estate depreciation and amortization of wholly owned and other joint venture communities, other depreciation and amortization, noncontrolling interests, net gain on the sale of depreciable property, and RE^3 income tax.

Management considers net debt to EBITDA a useful metric for investors as it provides ratings agencies, investors and lending partners with a widely-used measure of the Company's ability to service its debt obligations as well as compare leverage against that of its peer REITs. A reconciliation between net income and EBITDA is provided on Attachment 4(C) of the Company's quarterly supplemental disclosure.

Net Operating Income ("NOI"): The Company defines NOI as rental income less direct property rental expenses. Rental income represents gross market rent less adjustments for concessions, vacancy loss and bad debt. Rental expenses include real estate taxes, insurance, personnel, utilities, repairs and maintenance, administrative and marketing. Excluded from NOI is property management expense which is calculated as 2.75% of property revenue to cover the regional supervision and accounting costs related to consolidated property operations, and land rent.

Management considers NOI a useful metric for investors as it is a more meaningful representation of a community's continuing operating performance than net income as it is prior to corporate-level expense allocations, general and administrative costs, capital structure and depreciation and amortization and is a widely used input, along with capitalization rates, in the determination of real estate valuations. A reconciliation from net income attributable to UDR, Inc. to NOI is provided below.

In thousands	Q3 2014	Q2 2014	Q1 2014	4Q 2013	3Q 2013
Net income/(loss) attributable to UDR, Inc.	$ 40,549	$ 30,007	$ 18,361	$ 36,700	$ 3,188
Property management	5,598	5,527	5,345	5,233	5,168
Other operating expenses	2,009	2,162	1,926	1,925	1,775
Real estate depreciation and amortization	89,339	88,876	88,533	88,301	83,739
Interest expense	33,087	31,691	32,884	33,360	30,939
Casualty-related (recoveries)/charges, net	-	-	500	-	(6,460)
General and administrative	11,554	12,530	11,994	11,532	11,364
Tax provision/(benefit), net (includes valuation adjustment)	(2,492)	(2,190)	(3,329)	15	(2,658)
Income/(loss) from unconsolidated entities	939	428	3,565	(5,666)	3,794
Interest and other income, net	(9,061)	(1,426)	(1,415)	(1,328)	(829)
Joint venture management and other fees	(3,165)	(2,747)	(3,687)	(3,095)	(3,207)
Other depreciation and amortization	1,385	1,193	1,080	3,281	1,176
(Income)/loss from discontinued operations, net of tax	(79)	(18)	(24,294)	-	(884)
(Gain)/loss on sale of real estate owned, net of tax	(31,302)	(26,709)	87	(41,376)	-
Net income/(loss) attributable to noncontrolling interests	1,443	1,079	651	1,302	47
Total consolidated NOI	$ 139,804	$ 140,403	$ 132,201	$ 130,184	$ 127,152

Forward Looking Statements

Certain statements made in this press release may constitute “forward-looking statements.” Words such as “expects,” “intends,” “believes,” “anticipates,” “plans,” “likely,” “will,” “seeks,” “estimates” and variations of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements, by their nature, involve estimates, projections, goals, forecasts and assumptions and are subject to risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in a forward-looking statement, due to a number of factors, which include, but are not limited to, unfavorable changes in the apartment market, changing economic conditions, the impact of inflation/deflation on rental rates and property operating expenses, expectations concerning availability of capital and the stabilization of the capital markets, the impact of competition and competitive pricing, acquisitions, developments and redevelopments not achieving anticipated results, delays in completing developments, redevelopments and lease-ups on schedule, expectations on job growth, home affordability and demand/supply ratio for multifamily housing, expectations concerning development and redevelopment activities, expectations on occupancy levels, expectations concerning the joint ventures with third parties, expectations that automation will help grow net operating income, expectations on annualized net operating income and other risk factors discussed in documents filed by the Company with the Securities and Exchange Commission from time to time, including the Company's Annual Report on Form 10-K and the Company's Quarterly Reports on Form 10-Q. Actual results may differ materially from those described in the forward-looking statements. These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this press release, and the Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in the Company's expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required under the U.S. securities laws.

This press release and these forward-looking statements include UDR’s analysis and conclusions and reflect UDR’s judgment as of the date of these materials. UDR assumes no obligation to revise or update to reflect future events or circumstances.

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 September 30, 2014, UDR owned or had an ownership position in 51,699 apartment homes including 1,431 homes under development. For 42 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.

Attachment 1

UDR, Inc.
Consolidated Statements of Operations [1]
(Unaudited)

In thousands, except per share amounts	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
REVENUES:				
Rental income [2]	$ 203,587	$ 187,917	$ 598,898	$ 556,163
Joint venture management and other fees	3,165	3,207	9,599	9,347
Total revenues	206,752	191,124	608,497	565,510
OPERATING EXPENSES:				
Property operating and maintenance	39,086	36,686	112,646	107,660
Real estate taxes and insurance	24,697	24,079	73,844	70,287
Property management	5,598	5,168	16,470	15,295
Other operating expenses	2,009	1,775	6,097	5,211
Real estate depreciation and amortization	89,339	83,739	266,748	251,232
Acquisition costs	164	-	266	-
General and administrative	11,390	11,364	35,812	30,706
Casualty-related (recoveries)/charges, net	-	(6,460)	500	(12,253)
Other depreciation and amortization	1,385	1,176	3,658	3,460
Total operating expenses	173,668	157,527	516,041	471,598
Operating income	33,084	33,597	92,456	93,912
Income/(loss) from unconsolidated entities	(939)	(3,794)	(4,932)	(6,081)
Interest expense	(33,087)	(30,939)	(97,470)	(92,545)
Other debt (charges)/benefits, net [3]	-	-	(192)	(178)
Total Interest expense	(33,087)	(30,939)	(97,662)	(92,723)
Interest and other income/(expense), net	9,061	829	11,902	3,291
Income/(loss) before income taxes and discontinued operations	8,119	(307)	1,764	(1,601)
Tax benefit/(provision), net	2,492	2,658	8,011	7,314
Income/(loss) from continuing operations	10,611	2,351	9,775	5,713
Income/(loss) from discontinued operations, net of tax [4]	79	884	10	2,567
Income/(loss) before gain/(loss) on sale of real estate owned	10,690	3,235	9,785	8,280
Gain/(loss) on sale of real estate owned, net of tax [4]	31,302	-	82,305	-
Net income/(loss)	41,992	3,235	92,090	8,280
Net (income)/loss attributable to redeemable noncontrolling interests in the OP	(1,447)	(84)	(3,171)	(198)
Net (income)/loss attributable to noncontrolling interests	4	37	(2)	30
Net income/(loss) attributable to UDR, Inc.	40,549	3,188	88,917	8,112
Distributions to preferred stockholders - Series E (Convertible)	(931)	(931)	(2,793)	(2,793)
Net income/(loss) attributable to common stockholders	$ 39,618	$ 2,257	$ 86,124	$ 5,319
Income/(loss) per weighted average common share - basic:				
Income/(loss) from continuing operations attributable to common stockholders	$0.16	$0.01	$0.34	$0.01
Income/(loss) from discontinued operations attributable to common stockholders	$0.00	$0.00	$0.00	$0.01
Net income/(loss) attributable to common stockholders	$0.16	$0.01	$0.34	$0.02
Income/(loss) per weighted average common share - diluted:				
Income/(loss) from continuing operations attributable to common stockholders	$0.16	$0.01	$0.34	$0.01
Income/(loss) from discontinued operations attributable to common stockholders	$0.00	$0.00	$0.00	$0.01
Net income/(loss) attributable to common stockholders	$0.16	$0.01	$0.34	$0.02
Common distributions declared per share	$0.260	$0.235	$0.780	$0.705
Weighted average number of common shares outstanding - basic	251,655	249,985	250,701	249,962
Weighted average number of common shares outstanding - diluted	253,732	251,454	252,675	251,439

(1) See Attachment 16 for definitions and other terms.

(2) Three and nine months ended September 30, 2013 are impacted by $0.9 million and $3.4 million of lost rent due to business interruption related to Hurricane Sandy, respectively.

(3) Includes prepayment penalties, write-off of deferred financing costs and unamortized discounts/premiums on early debt extinguishment.

(4) Effective January 1, 2014, UDR prospectively adopted Accounting Standards Update ("ASU") No. 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, for all communities not previously sold or classified as held for sale. ASU 2014-08 incorporates into the definition of a discontinued operation a requirement that a disposition represent a strategic shift in an entity's operations, which resulted in UDR no longer classifying the sale of communities as a discontinued operation.

Attachment 2

UDR, Inc.
Funds From Operations [1]
(Unaudited)

In thousands, except per share amounts	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Net income/(loss) attributable to UDR, Inc.	$ 40,549	$ 3,188	$ 88,917	$ 8,112
Distributions to preferred stockholders	(931)	(931)	(2,793)	(2,793)
Real estate depreciation and amortization, including discontinued operations	89,339	84,266	266,748	252,839
Noncontrolling interests	1,443	47	3,173	168
Real estate depreciation and amortization on unconsolidated joint ventures	10,398	10,514	29,926	25,462
Net (gain)/loss on the sale of depreciable property, excluding TRS	(31,377)	-	(81,260)	-
Funds from operations ("FFO"), basic	$ 109,421	$ 97,084	$ 304,711	$ 283,788
Distributions to preferred stockholders - Series E (Convertible)	931	931	2,793	2,793
FFO, diluted	$ 110,352	$ 98,015	$ 307,504	$ 286,581
FFO per common share, basic	$ 0.42	$ 0.37	$ 1.17	$ 1.09
FFO per common share, diluted	$ 0.41	$ 0.37	$ 1.16	$ 1.09
Weighted average number of common shares and OP Units outstanding - basic	260,844	259,308	259,975	259,305
Weighted average number of common shares, OP Units, and common stock equivalents outstanding - diluted	265,957	263,813	264,985	263,818
Impact of adjustments to FFO:				
Acquisition-related costs (including joint ventures)	$ 164	$ -	$ 266	$ -
Joint venture financing and acquisition fees	(88)	(36)	(88)	(254)
Costs/(benefit) associated with debt extinguishment and tender offer	-	-	192	178
Gain on sale of land	-	-	(1,120)	-
Net gain on prepayment of note receivable	(8,411)	-	(8,411)	-
Casualty-related (recoveries)/charges, net [2]	-	(4,059)	500	(9,665)
	$ (8,335)	$ (4,095)	$ (8,661)	$ (9,741)
FFO as Adjusted, diluted	$ 102,017	$ 93,920	$ 298,843	$ 276,840
FFO as Adjusted per common share, diluted	$ 0.38	$ 0.36	$ 1.13	$ 1.05
Recurring capital expenditures	(12,280)	(11,989)	(29,977)	(30,975)
AFFO	$ 89,737	$ 81,931	$ 268,866	$ 245,865
AFFO per common share, diluted	$ 0.34	$ 0.31	$ 1.01	$ 0.93

(1) See Attachment 16 for definitions and other terms.

(2) 2014 adjustment relates to estimated damages at our Rosebeach community in California as a result of the earthquake in March 2014. 2013 adjustment primarily represents the portion of Hurricane Sandy insurance recoveries in 2013 that relate to the $9.3 million in charges added back to FFO as Adjusted in 4Q 2012. The difference between the casualty-related recoveries reflected on the Consolidated Statements of Operations and the adjustment above represents the amount of 2013 business interruption recoveries during 2013. The business interruption insurance recoveries are offset by lost rental revenues from the business interruption in 2013.

Attachment 3

UDR, Inc.
Consolidated Balance Sheets

In thousands, except share and per share amounts	September 30, 2014 (unaudited)	December 31, 2013 (audited)
ASSETS		
Real estate owned:		
Real estate held for investment	$ 8,106,684	$ 7,723,844
Less: accumulated depreciation	(2,378,520)	(2,200,815)
Real estate held for investment, net	5,728,164	5,523,029
Real estate under development		
(net of accumulated depreciation of $513 and $1,411)	321,094	466,002
Real estate held for disposition		
(net of accumulated depreciation of $0 and $6,568)	-	10,152
Total real estate owned, net of accumulated depreciation	6,049,258	5,999,183
Cash and cash equivalents	14,605	30,249
Restricted cash	23,969	22,796
Deferred financing costs, net	24,344	26,924
Notes receivable, net	18,318	83,033
Investment in and advances to unconsolidated joint ventures, net	650,441	507,655
Other assets	117,153	137,882
Total assets	$ 6,898,088	$ 6,807,722
LIABILITIES AND EQUITY		
Liabilities:		
Secured debt	$ 1,399,372	$ 1,442,077
Unsecured debt	2,228,820	2,081,626
Real estate taxes payable	29,403	13,847
Accrued interest payable	27,131	32,279
Security deposits and prepaid rent	32,710	27,203
Distributions payable	69,487	61,907
Accounts payable, accrued expenses, and other liabilities	82,233	118,682
Total liabilities	3,869,156	3,777,621
Redeemable noncontrolling interests in the OP	249,814	217,597
Equity:		
Preferred stock, no par value; 50,000,000 shares authorized		
2,803,812 shares of 8.00% Series E Cumulative Convertible issued		
and outstanding (2,803,812 shares at December 31, 2013)	46,571	46,571
Common stock, $0.01 par value; 350,000,000 shares authorized		
255,215,905 shares issued and outstanding (250,749,665 shares at December 31, 2013)	2,552	2,507
Additional paid-in capital	4,223,893	4,109,765
Distributions in excess of net income	(1,493,890)	(1,342,070)
Accumulated other comprehensive income/(loss), net	(866)	(5,125)
Total stockholders' equity	2,778,260	2,811,648
Noncontrolling interests	858	856
Total equity	2,779,118	2,812,504
Total liabilities and equity	$ 6,898,088	$ 6,807,722

Attachment 4(C)

UDR, Inc.
Selected Financial Information [1]
(Unaudited)

Coverage Ratios		Quarter Ended September 30, 2014
Net income/(loss) attributable to UDR, Inc.	$	40,549
Adjustments (includes continuing and discontinued operations):		
Interest expense		33,087
Real estate depreciation and amortization		89,339
Real estate depreciation and amortization on unconsolidated joint ventures		10,398
Other depreciation and amortization		1,385
Noncontrolling interests		1,443
Income tax expense/(benefit)		(2,490)
EBITDA	$	173,711
Gain/(loss) on sale of real estate owned, net of tax		(31,377)
Net gain on prepayment of note receivable		(8,411)
EBITDA - adjusted for non-recurring items	$	133,923
Annualized EBITDA - adjusted for non-recurring items	$	535,692
Interest expense	$	33,087
Capitalized interest expense		5,172
Total interest	$	38,259
Preferred dividends	$	931
Total debt	$	3,628,192
Cash		14,605
Net debt	$	3,613,587
Interest Coverage Ratio		**4.54x**
Fixed Charge Coverage Ratio		**4.43x**
Interest Coverage Ratio - adjusted for non-recurring items		**3.50x**
Fixed Charge Coverage Ratio - adjusted for non-recurring items		**3.42x**
Net Debt-to-EBITDA, adjusted for non-recurring items		**6.7x**

Debt Covenant Overview

Unsecured Line of Credit Covenants [2]	Required	Actual	Compliance
Maximum Leverage Ratio	≤60.0%	39.4%	Yes
Minimum Fixed Charge Coverage Ratio	≥1.5	2.9	Yes
Maximum Secured Debt Ratio	≤40.0%	19.2%	Yes
Minimum Unencumbered Pool Leverage Ratio	≥150.0%	312.5%	Yes

Senior Unsecured Note Covenants [3]	Required	Actual	Compliance
Debt as a percentage of Total Assets	≤60.0%	39.2%	Yes
Consolidated Income Available for Debt Service to Annual Service Charge	≥1.5	3.5	Yes
Secured Debt as a percentage of Total Assets	≤40.0%	15.1%	Yes
Total Unencumbered Assets to Unsecured Debt	≥150.0%	282.3%	Yes

Securities Ratings	Debt	Preferred	Outlook
Moody's Investors Service	Baa1	Baa2	Stable
Standard & Poor's	BBB	BB+	Positive

(1) See Attachment 16 for definitions and other terms.
(2) As defined in our credit agreement dated October 25, 2011 as amended June 6, 2013.
(3) As defined in our indenture dated November 1, 1995 as amended, supplemented or modified from time to time.

Attachment 16(D)

UDR, Inc.
Definitions and Reconciliations
September 30, 2014
(Unaudited)

All guidance is based on current expectations of future economic conditions and the judgment of the Company's management team. The following reconciles from GAAP net income/(loss) per share for full year 2014 and fourth quarter of 2014 to forecasted FFO, FFO as Adjusted and AFFO per share:

	Full Year 2014	
	Low	High
Forecasted earnings per diluted share	$ 0.40	$ 0.42
Conversion from GAAP share count	(0.09)	(0.09)
Net (gain)/loss on the sale of depreciable property, excluding TRS	(0.30)	(0.30)
Depreciation	1.51	1.51
Noncontrolling Interests	0.01	0.01
Preferred Dividends	0.01	0.01
Forecasted FFO per diluted share	**$ 1.54**	**$ 1.56**
TRS gains from asset sales	(0.01)	(0.01)
Net gain on prepayment of note receivable	(0.03)	(0.03)
Acquisition, debt extinguishment, casualty and other costs	0.01	0.01
Forecasted FFO as Adjusted per diluted share	**$ 1.51**	**$ 1.53**
Recurring capital expenditures	(0.17)	(0.17)
Forecasted AFFO per diluted share	**$ 1.34**	**$ 1.36**

	4Q 2014	
	Low	High
Forecasted earnings per diluted share	$ 0.03	$ 0.05
Conversion from GAAP share count	(0.02)	(0.02)
Net (gain)/loss on the sale of depreciable property, excluding TRS	-	-
Depreciation	0.38	0.38
Noncontrolling Interests	-	-
Preferred Dividends	-	-
Forecasted FFO per diluted share	**$ 0.38**	**$ 0.40**
TRS gains from asset sales	-	-
Net gain on prepayment of note receivable	-	-
Acquisition, debt extinguishment, casualty and other costs	-	-
Forecasted FFO as Adjusted per diluted share	**$ 0.38**	**$ 0.40**
Recurring capital expenditures	(0.05)	(0.05)
Forecasted AFFO per diluted share	**$ 0.33**	**$ 0.35**