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Press Release

DENVER, CO - April 27, 2015

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UDR ANNOUNCES FIRST QUARTER 2015 RESULTS AND INCREASES FULL-YEAR 2015 GUIDANCE

UDR (the “Company”) First Quarter 2015 Highlights:

- Funds from Operations (“FFO”) per share was \$0.43 (+19% year-over-year), FFO as Adjusted per share was \$0.40 (+12%), and AFFO per share was \$0.37 (+12%).
- Year-over-year same-store revenue and net operating income (“NOI”) growth for the quarter were 5.1 percent and 6.2 percent, respectively.
- The Company will invest \$136 million for a 48 percent interest in a development joint venture comprised of five communities in various stages of construction on the West Coast. The transaction is expected to close in May 2015 and will be immediately accretive to FFO.
- The Company completed the disposition of its 20 percent ownership interest in its 3,359-home Texas Joint Venture. At 100 percent, the sales price was \$400 million.
- Commenced the construction of Domain Mountain View, a 155-home development in a 50%/50% joint venture with MetLife in Mountain View, CA, with an estimated cost of \$99 million.
- Issued \$109 million of At-the-Market (“ATM”) equity, net of fees and at a premium to consensus Net Asset Value (“NAV”) at the time of issuance.
- The Company increased its annualized dividend by 7 percent to \$1.11 per share versus 2014.
- Increased full-year 2015 earnings and same-store growth guidance:
 - FFO, FFO as Adjusted and AFFO per share guidance ranges increased by \$0.02 at the midpoints.
 - SS revenue growth guidance range: 4.25 to 4.75 percent (+50 bps at the midpoint).
 - SS NOI growth guidance range: 4.75 to 5.75 percent (+75 bps at the midpoint).

	Q1 2015	Q1 2014
FFO per share	\$0.43	\$0.36
Acquisition-related costs/(fees), including joint ventures	0.001	0.000
Texas Joint Venture promote and disposition fee income	(0.036)	-
Long-term incentive plan transition costs	0.003	-
(Gain)/loss on sale of land	-	(0.004)
Casualty-related (recoveries)/charges, net	0.004	0.002
FFO as Adjusted per share	\$0.40	\$0.36
Recurring capital expenditures	(0.027)	(0.025)
AFFO per share	\$0.37	\$0.33

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 first quarter supplemental package.

Operations

Same-store NOI increased 6.2 percent year-over-year in the first quarter of 2015 driven by same-store revenue growth of 5.1 percent against a 2.5 percent increase in same-store expenses. Same-store physical occupancy was 96.7 percent as compared to 96.1 percent in the prior year period. The annualized rate of turnover decreased 180 basis points year-over-year to 42.1 percent in the quarter.

Summary of Same-Store Results First Quarter 2015 versus First Quarter 2014

Region	Revenue Growth	Expense Growth/ (Decline)	NOI Growth	% of Same-Store Portfolio⁽¹⁾	Same-Store Occupancy⁽²⁾	Number of Same-Store Homes⁽³⁾
West	7.3%	(1.3)%	10.6%	41.2%	96.6%	11,973
Mid-Atlantic	1.8%	2.2%	1.6%	24.0%	96.4%	9,241
Southeast	5.0%	7.6%	3.8%	15.3%	96.9%	8,467
Northeast	5.5%	1.3%	7.0%	12.8%	96.9%	2,384
Southwest	4.8%	9.0%	2.1%	6.7%	97.1%	3,998
Total	5.1%	2.5%	6.2%	100.0%	96.7%	36,063

⁽¹⁾ Based on Q1 2015 NOI.

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

⁽³⁾ During the first quarter, 36,063 apartment homes, or approximately 90 percent of 39,956 total consolidated apartment homes (versus 48,086 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, same-store NOI increased by 0.6 percent on revenue growth of 1.5 percent against a 3.6 percent increase in expenses in the first quarter of 2015.

Development and Redevelopment Activity

At the end of the first quarter, the Company's pro-rata share of the development pipeline totaled \$838 million and was 73 percent funded. The \$838 million consisted of \$184 million of completed, non-stabilized projects and \$654 million of under construction projects. Of the remaining \$654 million in development projects left to complete, \$326 million is expected to be completed in 2015, \$162 million in 2016 and the remainder in 2017. The pipeline is expected to produce a weighted average spread between estimated stabilized yields and current market cap rates near the upper end of the Company's 150 to 200 basis point targeted range.

During the quarter, the Company commenced one new development project. Domain Mountain View, a 155-home community located in Mountain View, CA, is being developed in a 50%/50% joint venture with MetLife for a budgeted cost of \$99 million. The project is expected to be completed in 2017.

Joint Venture / Partnership Investment Activity

As previously announced, the Company completed the sale of its 20 percent ownership interest in its 3,359-home Texas Joint Venture in January. At 100 percent, the sales price was \$400 million. Total proceeds to the Company were approximately \$43 million, net of debt repayment and inclusive of \$9.6 million of promoted interest and disposition fee income. The Company was pleased with these results, in addition to reducing its exposure to Dallas and eliminating its exposure to Houston.

Subsequent to quarter end, the Company entered into a joint venture agreement with real estate private equity firm, The Wolff Company, Scottsdale, AZ (the "Partner") to invest \$136 million for a 48 percent interest in a portfolio of five communities that are currently under construction. The transaction is expected to close in May 2015. The communities are located in three of the Company's core, coastal markets: Metro Seattle, Los Angeles and Orange County, CA. The Company's investment is based on an initial all-in price of \$559 million and the transaction will be immediately accretive to FFO. The Company's average stabilized yield on initial price is estimated at 5.4 percent. In addition, the Company will earn a 6.5 percent preferred return on its \$136 million investment through each individual community's date of stabilization, defined as when a community reaches 80 percent occupancy for ninety consecutive days, while the Partner is allocated all economics (income and expense) during the pre-stabilization period. Upon stabilization, economics will be shared based on each partner's ownership percentage. The Company will serve as property manager and be paid a management fee during the lease-up phase and subsequent operation of each of the communities.

The Company has a fixed price option to acquire the Partner's remaining interest in each community beginning one year after completion. If the options are exercised for all five communities, the Company's total price will be \$597 million and the Company's all-in stabilized yield is estimated to be 5.0 percent. In the event the Company does not exercise its options to purchase at least two communities, the Partner will be entitled to a 6.5 percent return on its implied equity in the communities not acquired. The Partner is providing certain guaranties and there will be construction loans on all five communities.

Once completed the five communities will contain 1,533 homes with a weighted average size of 844 square feet and 29,136 square feet of retail.

Additional transaction details can be found on the Investor Relations page of the Company's website, www.udr.com.

Capital Markets

During the first quarter, the Company issued approximately 3.4 million common shares through its ATM equity program, at an average gross price of \$32.29. Net of fees, the shares were issued at an average price of \$31.64, for total net proceeds of \$109 million.

Balance Sheet

At March 31, 2015, the Company had \$517 million in availability through a combination of cash and undrawn capacity on its credit facilities.

The Company's total indebtedness at March 31, 2015 was \$3.5 billion. The Company ended the quarter with fixed-rate debt representing 76.7 percent of its total debt, a total blended interest rate of 3.6 percent and a weighted average maturity of 4.4 years. The Company's leverage was 37.5 percent versus 39.9 percent a year ago, net debt-to-EBITDA was 6.4x versus 7.2x a year ago and fixed charge coverage was 4.0x 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 first quarter of 2015 in the amount of \$0.2775 per share. The dividend will be paid in cash on April 30, 2015 to UDR common stock shareholders of record as of April 16, 2015. The first quarter 2015 dividend will represent the 170th consecutive quarterly dividend paid by the Company on its common stock.

On an annualized basis, the Company's 2015 dividend per share of \$1.11 represents a 7 percent increase versus 2014.

Outlook

For the second quarter of 2015, the Company has established the following earnings guidance ranges:

- FFO per share: \$0.39 to \$0.41
- FFO as Adjusted per share: \$0.39 to \$0.41
- AFFO per share: \$0.34 to \$0.36

For the full-year 2015, the Company has increased its previously provided earnings guidance ranges as a result of better-than-expected operations and expected accretion from its newly formed West Coast development joint venture:

	<u>Revised</u>	<u>February 2015</u>
FFO per share	\$1.63 to \$1.67	\$1.60 to \$1.66
FFO as Adjusted per share	\$1.61 to \$1.65	\$1.58 to \$1.64
AFFO per share	\$1.44 to \$1.48	\$1.41 to \$1.47

For the full-year 2015, the Company has increased its previously provided same-store growth guidance ranges as a result of stronger-than-expected new lease and renewal rate growth combined with stable occupancy and lower turnover:

	<u>Revised</u>	<u>February 2015</u>
Revenue	4.25% to 4.75%	3.75% to 4.25%
Expense	2.50% to 3.00%	2.50% to 3.00%
Net operating income	4.75% to 5.75%	4.00% to 5.00%

Additional assumptions for the Company's second quarter and full-year 2015 guidance can be found on Attachment 15 of the Company's first 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 April 28, 2015 to discuss first 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 888-437-9274 for domestic and 719-785-1752 for international and provide the following conference ID number: 2762886.

A replay of the conference call will be available through May 28, 2015, by dialing 888-203-1112 for domestic and 719-457-0820 for international and entering the confirmation number, 2762886, 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 first quarter 2015 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 720-922-6082.



Attachment 16(B)

UDR, Inc. Definitions and Reconciliations March 31, 2015 (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), 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, TRS 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

	1Q 2015
Income/(loss) from unconsolidated entities	\$ 59,159
Management fee	981
Interest expense	7,784
Depreciation	9,850
General and administrative	182
Other income/expense	(929)
Gain on sale	(59,073)
Total Joint Venture NOI at UDR's Pro-Rata Ownership Interest	\$ 17,954

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 TRS 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

	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014
Net income/(loss) attributable to UDR, Inc.	\$ 73,822	\$ 65,417	\$ 40,549	\$ 30,007	\$ 18,361
Property management	5,694	5,668	5,598	5,527	5,345
Other operating expenses	1,766	2,174	2,009	2,162	1,926
Real estate depreciation and amortization	88,777	91,406	89,339	88,876	88,533
Interest expense	28,800	32,792	33,087	31,691	32,884
Casualty-related (recoveries)/charges, net	996	41	-	-	500
General and administrative	12,152	11,722	11,554	12,530	11,994
Tax provision/(benefit), net (includes valuation adjustment)	(425)	(7,087)	(2,492)	(2,190)	(3,329)
Income/(loss) from unconsolidated entities	(59,159)	2,074	939	428	3,565
Interest and other income, net	(360)	44	(9,061)	(1,426)	(1,415)
Joint venture management and other fees	(12,706)	(3,445)	(3,165)	(2,747)	(3,687)
Other depreciation and amortization	1,623	2,117	1,385	1,193	1,080
(Income)/loss from discontinued operations, net of tax	-	-	(79)	(18)	87
(Gain)/loss on sale of real estate owned, net of tax	-	(62,267)	(31,302)	(26,709)	(24,294)
Net income/(loss) attributable to noncontrolling interests	2,595	2,335	1,443	1,079	651
Total consolidated NOI	\$ 143,575	\$ 142,991	\$ 139,804	\$ 140,403	\$ 132,201

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 March 31, 2015, UDR owned or had an ownership position in 48,086 apartment homes including 1,434 homes under development. For 43 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 March 31,	
	2015	2014
REVENUES:		
Rental income	\$ 207,047	\$ 194,352
Joint venture management and other fees ⁽²⁾	12,706	3,687
Total revenues	<u>219,753</u>	<u>198,039</u>
OPERATING EXPENSES:		
Property operating and maintenance	37,250	36,720
Real estate taxes and insurance	26,222	25,431
Property management	5,694	5,345
Other operating expenses	1,766	1,926
Real estate depreciation and amortization	88,777	88,533
Acquisition costs	199	102
General and administrative	11,953	11,892
Casualty-related (recoveries)/charges, net	996	500
Other depreciation and amortization	1,623	1,080
Total operating expenses	<u>174,480</u>	<u>171,529</u>
Operating income	45,273	26,510
Income/(loss) from unconsolidated entities ⁽²⁾	59,159	(3,565)
Interest expense	(28,800)	(32,884)
Interest and other income/(expense), net	360	1,415
Income/(loss) before income taxes, discontinued operations and gain/(loss) on sale of real estate	75,992	(8,524)
Tax benefit/(provision), net	425	3,329
Income/(loss) from continuing operations	76,417	(5,195)
Income/(loss) from discontinued operations, net of tax	-	(87)
Income/(loss) before gain/(loss) on sale of real estate owned	76,417	(5,282)
Gain/(loss) on sale of real estate owned, net of tax	-	24,294
Net income/(loss)	76,417	19,012
Net (income)/loss attributable to redeemable noncontrolling interests in the OP	(2,588)	(647)
Net (income)/loss attributable to noncontrolling interests	(7)	(4)
Net income/(loss) attributable to UDR, Inc.	73,822	18,361
Distributions to preferred stockholders - Series E (Convertible)	(931)	(931)
Net income/(loss) attributable to common stockholders	\$ 72,891	\$ 17,430
Income/(loss) per weighted average common share - basic:		
Income/(loss) from continuing operations attributable to common stockholders	\$0.28	\$0.07
Income/(loss) from discontinued operations attributable to common stockholders	\$0.00	\$0.00
Net income/(loss) attributable to common stockholders	\$0.28	\$0.07
Income/(loss) per weighted average common share - diluted:		
Income/(loss) from continuing operations attributable to common stockholders	\$0.28	\$0.07
Income/(loss) from discontinued operations attributable to common stockholders	\$0.00	\$0.00
Net income/(loss) attributable to common stockholders	\$0.28	\$0.07
Common distributions declared per share	\$0.2775	\$0.2600
Weighted average number of common shares outstanding - basic	256,834	250,177
Weighted average number of common shares outstanding - diluted	258,662	251,822

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

(2) In January 2015, the eight communities held by the Texas joint venture were sold, generating proceeds to UDR of \$43.5 million. The Company recorded promote and disposition fee income of approximately \$9.6 million and a gain of approximately \$59.1 million in connection with the sale.



Attachment 2

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

In thousands, except per share amounts	Three Months Ended March 31,	
	2015	2014
Net income/(loss) attributable to UDR, Inc.	\$ 73,822	\$ 18,361
Distributions to preferred stockholders	(931)	(931)
Real estate depreciation and amortization, including discontinued operations	88,777	88,533
Noncontrolling interests	2,595	651
Real estate depreciation and amortization on unconsolidated joint ventures	9,850	10,667
Net (gain)/loss on the sale of unconsolidated depreciable property ⁽²⁾	(59,073)	-
Net (gain)/loss on the sale of depreciable property, excluding TRS	-	(23,174)
Funds from operations ("FFO"), basic	\$ 115,040	\$ 94,107
Distributions to preferred stockholders - Series E (Convertible)	931	931
FFO, diluted	\$ 115,971	\$ 95,038
FFO per common share, basic	\$ 0.43	\$ 0.36
FFO per common share, diluted	\$ 0.43	\$ 0.36
Weighted average number of common shares and OP Units outstanding - basic	265,999	259,496
Weighted average number of common shares, OP Units, and common stock equivalents outstanding - diluted	270,863	264,177
Impact of adjustments to FFO:		
Acquisition-related costs/(fees), including joint ventures	\$ 199	\$ 102
Texas Joint Venture promote and disposition fee income ⁽²⁾	(9,633)	-
Long-term incentive plan transition costs	854	-
(Gain)/loss on sale of land	-	(1,120)
Casualty-related (recoveries)/charges, net ⁽³⁾	996	500
	\$ (7,584)	\$ (518)
FFO as Adjusted, diluted	\$ 108,387	\$ 94,520
FFO as Adjusted per common share, diluted	\$ 0.40	\$ 0.36
Recurring capital expenditures	(7,243)	(6,601)
AFFO	\$ 101,144	\$ 87,919
AFFO per common share, diluted	\$ 0.37	\$ 0.33

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

(2) The Company recorded promote and disposition fee income of approximately \$9.6 million and a gain of approximately \$59.1 million in connection with the sale of eight communities held by the Texas Joint Venture.

(3) 2014 adjustment relates to damages at our Rosebeach community in California as a result of the earthquake in March 2014. 2015 adjustment relates to damage caused by severe snow storms on the east coast in January and February 2015.



Attachment 3

UDR, Inc. Consolidated Balance Sheets

In thousands, except share and per share amounts	March 31, 2015	December 31, 2014
	(unaudited)	(audited)
ASSETS		
Real estate owned:		
Real estate held for investment	\$ 8,256,995	\$ 8,205,627
Less: accumulated depreciation	(2,521,958)	(2,434,772)
Real estate held for investment, net	5,735,037	5,770,855
Real estate under development		
(net of accumulated depreciation of \$142 and \$0)	196,511	177,632
Total real estate owned, net of accumulated depreciation	5,931,548	5,948,487
Cash and cash equivalents	6,274	15,224
Restricted cash	23,266	22,340
Deferred financing costs, net	21,676	22,686
Notes receivable, net	15,494	14,369
Investment in and advances to unconsolidated joint ventures, net	763,540	718,226
Other assets	96,713	105,202
Total assets	\$ 6,858,511	\$ 6,846,534
LIABILITIES AND EQUITY		
Liabilities:		
Secured debt	\$ 1,370,673	\$ 1,361,529
Unsecured debt	2,145,996	2,221,576
Real estate taxes payable	21,848	15,978
Accrued interest payable	23,460	34,215
Security deposits and prepaid rent	34,624	34,064
Distributions payable	75,129	69,460
Accounts payable, accrued expenses, and other liabilities	63,857	91,282
Total liabilities	3,735,587	3,828,104
Redeemable noncontrolling interests in the OP	311,883	282,480
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, 2014)	46,571	46,571
Common stock, \$0.01 par value; 350,000,000 shares authorized		
258,988,739 shares issued and outstanding (255,114,603 shares at December 31, 2014)	2,590	2,551
Additional paid-in capital	4,334,418	4,223,747
Distributions in excess of net income	(1,557,953)	(1,528,917)
Accumulated other comprehensive income/(loss), net	(15,445)	(8,855)
Total stockholders' equity	2,810,181	2,735,097
Noncontrolling interests	860	853
Total equity	2,811,041	2,735,950
Total liabilities and equity	\$ 6,858,511	\$ 6,846,534



Attachment 4(C)

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

	Quarter Ended March 31, 2015
Coverage Ratios	
Net income/(loss) attributable to UDR, Inc.	\$ 73,822
Adjustments (includes continuing and discontinued operations):	
Interest expense	28,800
Real estate depreciation and amortization	88,777
Real estate depreciation and amortization on unconsolidated joint ventures	9,850
Other depreciation and amortization	1,623
Noncontrolling interests	2,595
Income tax expense/(benefit)	(425)
EBITDA	<u>\$ 205,042</u>
Net (gain)/loss on the sale of unconsolidated depreciable property	(59,073)
Texas Joint Venture promote and disposition fee income	(9,633)
Acquisition-related costs/(fees), including joint ventures	199
Casualty-related (recoveries)/charges, net	996
EBITDA - adjusted for non-recurring items	<u>\$ 137,531</u>
Annualized EBITDA - adjusted for non-recurring items	<u>\$ 550,124</u>
Interest expense	\$ 28,800
Capitalized interest expense	<u>4,839</u>
Total interest	<u>\$ 33,639</u>
Preferred dividends	\$ 931
Total debt	\$ 3,516,669
Cash	<u>6,274</u>
Net debt	<u>\$ 3,510,395</u>
Interest Coverage Ratio	<u>6.10x</u>
Fixed Charge Coverage Ratio	<u>5.93x</u>
Interest Coverage Ratio - adjusted for non-recurring items	<u>4.09x</u>
Fixed Charge Coverage Ratio - adjusted for non-recurring items	<u>3.98x</u>
Net Debt-to-EBITDA, adjusted for non-recurring items	<u>6.4x</u>

Debt Covenant Overview

Unsecured Line of Credit Covenants ⁽²⁾	Required	Actual	Compliance
Maximum Leverage Ratio	≤60.0%	37.6%	Yes
Minimum Fixed Charge Coverage Ratio	≥1.5	3.2	Yes
Maximum Secured Debt Ratio	≤40.0%	18.5%	Yes
Minimum Unencumbered Pool Leverage Ratio	≥150.0%	331.3%	Yes

Senior Unsecured Note Covenants ⁽³⁾	Required	Actual	Compliance
Debt as a percentage of Total Assets	≤60.0%	37.6%	Yes
Consolidated Income Available for Debt Service to Annual Service Charge	≥1.5	4.2	Yes
Secured Debt as a percentage of Total Assets	≤40.0%	14.6%	Yes
Total Unencumbered Assets to Unsecured Debt	≥150.0%	293.5%	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 March 31, 2015 (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 2015 and second quarter of 2015 to forecasted FFO, FFO as Adjusted and AFFO per share:

	Full Year 2015	
	Low	High
Forecasted earnings per diluted share	\$ 0.23	\$ 0.28
Conversion from GAAP share count	(0.07)	(0.08)
Depreciation	1.47	1.47
Noncontrolling Interests	(0.01)	(0.01)
Preferred Dividends	0.01	0.01
Forecasted FFO per diluted share	\$ 1.63	\$ 1.67
Disposition-related FFO	(0.04)	(0.04)
Long-term incentive plan transition costs	0.01	0.01
Acquisition-related and other costs	0.01	0.01
Forecasted FFO as Adjusted per diluted share	\$ 1.61	\$ 1.65
Recurring capital expenditures	(0.17)	(0.17)
Forecasted AFFO per diluted share	\$ 1.44	\$ 1.48

	2Q 2015	
	Low	High
Forecasted earnings per diluted share	\$ 0.04	\$ 0.06
Conversion from GAAP share count	(0.02)	(0.02)
Depreciation	0.37	0.37
Noncontrolling Interests	-	-
Preferred Dividends	-	-
Forecasted FFO per diluted share	\$ 0.39	\$ 0.41
Disposition-related FFO	-	-
Long-term incentive plan transition costs	-	-
Acquisition-related and other costs	-	-
Forecasted FFO as Adjusted per diluted share	\$ 0.39	\$ 0.41
Recurring capital expenditures	(0.05)	(0.05)
Forecasted AFFO per diluted share	\$ 0.34	\$ 0.36