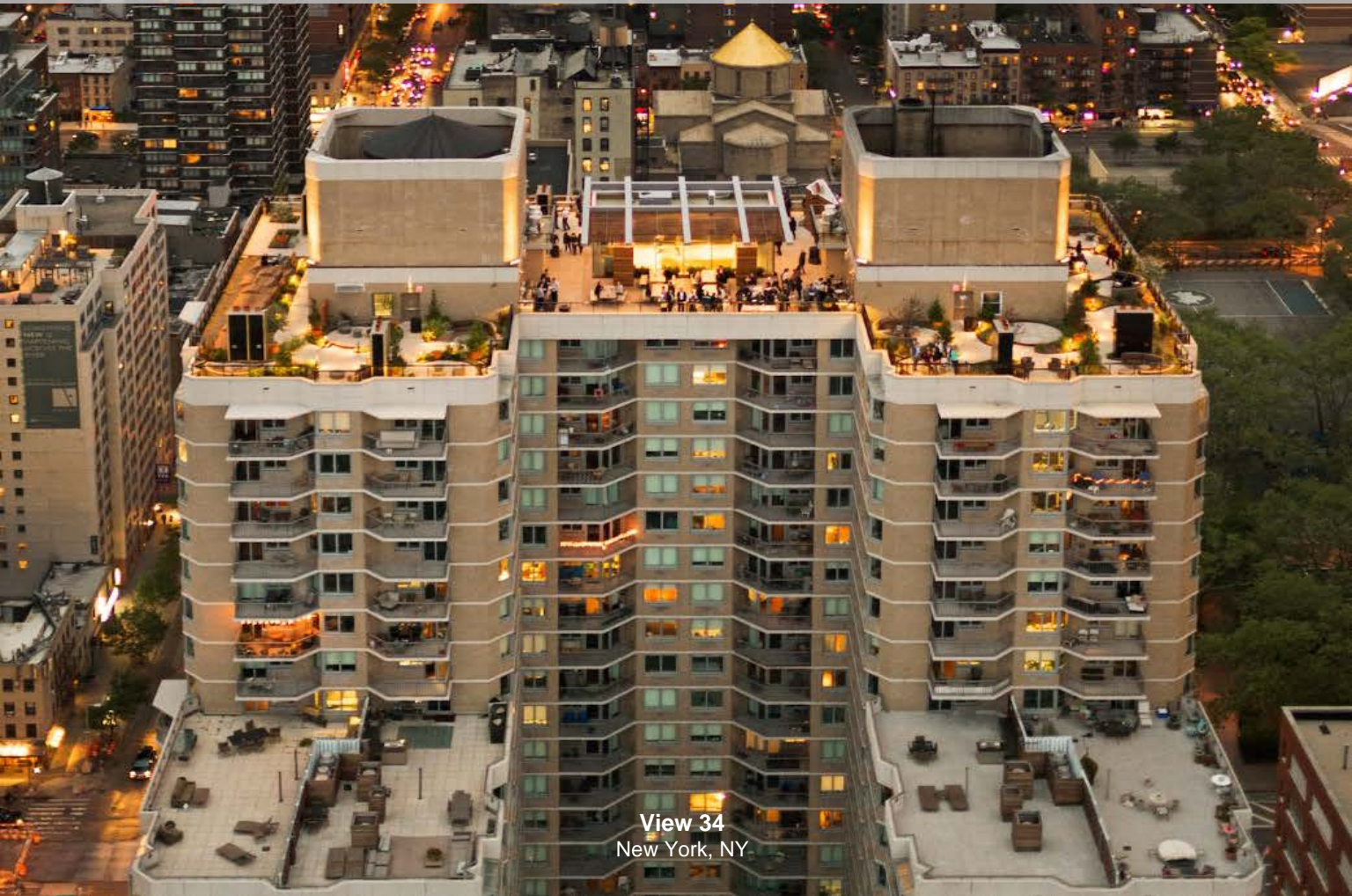




UDR Definitions and Reconciliations



View 34
New York, NY

Acquired Communities: The Company defines Acquired Communities as those communities acquired by the Company, other than development and redevelopment activity, that did not achieve stabilization as of the most recent quarter.

Adjusted Funds From Operations ("AFFO") attributable to common stockholders and unitholders: The Company defines AFFO as FFO as Adjusted attributable to common stockholders and unitholders less recurring capital expenditures that are necessary to help preserve the value of and maintain functionality at our communities.

Management considers AFFO a useful supplemental performance metric for investors as it is more indicative of the Company's operational performance than FFO or FFO as Adjusted. AFFO is not intended to represent cash flow or liquidity for the period, and is only intended to provide an additional measure of our operating performance. The Company believes that net income attributable to common stockholders is the most directly comparable GAAP financial measure to AFFO. Management believes that AFFO is a widely recognized measure of the operations of REITs, and presenting AFFO will enable investors to assess our performance in comparison to other REITs. However, other REITs may use different methodologies for calculating AFFO and, accordingly, our AFFO may not always be comparable to AFFO calculated by other REITs. AFFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of financial performance, or as an alternative to cash flows from operating activities (determined in accordance with GAAP) as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make distributions. A reconciliation from net income attributable to common stockholders to AFFO is provided on page A-11 of this presentation.

Cost of Capital: The cost to a company, such as a REIT, of raising capital in the form of equity (common or preferred stock) or debt. The cost of equity capital generally is considered to include both the dividend yield as well as the expected equity growth either by higher dividends or appreciation in stock prices. The cost of debt capital generally is the after-tax interest expense on the debt incurred.

Development Communities: The Company defines Development Communities as those communities recently developed or under development by the Company, that are currently majority owned by the Company and have not achieved stabilization as of the most recent quarter.

Dividend Payout Ratio: Measures the percentage of a REIT's common dividend that is covered by recurring cash flow.

Dividend Yield: A valuation metric typically used to compare dividend return potential. Dividend yield is the expected annual dividend per share as a percentage of the current share price.

DownREIT: A DownREIT is structured much like an UPREIT, but the REIT also owns and operates properties other than its interest in a controlled partnership that owns and operates a separate group of properties.

EBITDA: Earnings before interest, taxes, depreciation and amortization. For real estate companies, this measure is sometimes referred to as net operating income (NOI). A reconciliation from net income attributable to UDR, Inc. to EBITDA is provided on page A-10 of this presentation.

Effective New Lease Rate Growth: The Company defines Effective New Lease Rate Growth as the increase in gross potential rent realized less all concessions for the new lease term (current effective rent) versus prior resident effective rent for the prior lease term on all new leases commenced during the current quarter.

Management considers Effective New Lease Rate Growth a useful metric for investors as it assesses market-level new demand trends.

Effective Renewal Lease Rate Growth: The Company defines Effective Renewal Lease Rate Growth as the increase in gross potential rent realized less all concessions for the new lease term (current effective rent) versus prior effective rent for the prior lease term on all renewed leases commenced during the current quarter.

Source: Company documents, NAREIT and Green Street Advisors.

Management considers Effective Renewal Lease Rate Growth a useful metric for investors as it assesses market-level, in-place demand trends.

Equity Market Cap: The market value of all outstanding common stock and equivalents of a company based on the trading price of the common stock on a given day.

Equity REIT: A REIT which owns, or has an “equity interest” in, income-producing real estate (rather than making loans secured by real estate collateral).

Estimated Quarter of Completion: The Company defines Estimated Quarter of Completion of a development or redevelopment project as the date on which construction is expected to be completed, but does not represent the date of stabilization.

Fixed Charge Coverage Ratio: The Company defines Fixed Charge Coverage Ratio 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/(loss) on the sale of real estate owned, TRS income tax, divided by total interest plus preferred dividends.

Management considers Fixed Charge 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 Fixed Charge Coverage Ratio is provided on page A-10 of this presentation.

Funds From Operations as Adjusted (“FFO as Adjusted”) attributable to common stockholders and unitholders: The Company defines FFO as Adjusted as FFO excluding the impact of acquisition-related costs and other non-comparable items including, but not limited to, prepayment costs/benefits associated with early debt retirement, gains on sales of marketable securities and TRS property, deferred tax valuation allowance increases and decreases, casualty-related expenses and recoveries, severance costs and legal costs.

Management believes that FFO as Adjusted is useful supplemental information regarding our operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. FFO as Adjusted is not intended to represent cash flow or liquidity for the period, and is only intended to provide an additional measure of our operating performance. The Company believes that net income attributable to common stockholders is the most directly comparable GAAP financial measure to FFO as Adjusted. However, other REITs may use different methodologies for calculating FFO as Adjusted or similar FFO measures and, accordingly, our FFO as Adjusted may not always be comparable to FFO as Adjusted or similar FFO measures calculated by other REITs. FFO as Adjusted should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of financial performance, or as an alternative to cash flows from operating activities (determined in accordance with GAAP) as a measure of our liquidity. A reconciliation from net income attributable to common stockholders to FFO as Adjusted is provided on page A-11 of this presentation.

Funds From Operations (“FFO”) attributable to common stockholders and unitholders: The Company defines FFO as net income attributable to common stockholders and unitholders, 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 noncontrolling interests, unconsolidated partnerships and joint ventures. This definition conforms with the National Association of Real Estate Investment Trust’s definition issued in April 2002. In the computation of diluted FFO, unvested restricted stock, unvested LTIP units, 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 common stockholders to FFO is provided on page A-11 of this presentation.

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/(loss) on the sale of real estate owned, 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 page A-10 of this presentation.

Internal Rate of Return (IRR): The discount rate that sets estimated discounted cash flows equal to the initial investment.

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

In thousands

	2Q 2016	YTD 2016
Income/(loss) from unconsolidated entities	\$ 325	\$ 1,004
Management fee	1,132	2,237
Interest expense	8,310	16,192
Depreciation	12,299	22,649
General and administrative	239	399
West Coast Development JV	(2,230)	(4,327)
Steele Creek	(1,560)	(3,079)
Other income/expense (includes 717 Olympic casualty expense)	(236)	418
Total Joint Venture NOI at UDR's Pro-Rata Ownership Interest	\$ 18,279	\$ 35,493

JV Return on Equity ("JV 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 (“JV 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.

Leverage Ratio or Debt-to-Asset Value: The amount of debt in relation to either equity capital or total capital.

Net Asset Value: Net Asset Value (“NAV”) is defined as marked-to-market value of assets less marked-to-market value of liabilities and preferred equity, divided by total outstanding diluted shares and operating partnership units.

Management considers NAV a useful metric for investors as it provides context to portfolio value changes over time based on widely accepted market inputs.

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/(loss) on the sale of real estate owned, 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 page A-10 of this presentation.

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	2Q 2016	1Q 2016	4Q 2015	3Q 2015	2Q 2015
Net income/(loss) attributable to UDR, Inc.	\$ 17,946	\$ 10,393	\$ 162,200	\$ 13,291	\$ 86,855
Property management	6,494	6,379	6,445	5,988	5,851
Other operating expenses	1,892	1,752	3,534	2,639	1,769
Real estate depreciation and amortization	105,937	105,339	104,909	90,568	90,344
Interest expense	30,678	31,104	33,170	30,232	29,673
Casualty-related (recoveries)/charges, net	1,629	-	(45)	541	843
General and administrative	10,835	13,844	17,993	15,824	13,721
Tax (benefit)/provision, net	(402)	(403)	(1,424)	(633)	(1,404)
(Income)/loss from unconsolidated entities	(325)	(679)	(1,052)	(2,691)	573
Interest income and other (income)/expense, net	(540)	(431)	(407)	(402)	(382)
Joint venture management and other fees	(2,618)	(2,858)	(3,253)	(3,653)	(3,098)
Other depreciation and amortization	1,486	1,553	1,899	1,457	1,700
(Gain)/loss on sale of real estate owned, net of tax	(7,315)	(3,070)	(172,635)	-	(79,042)
Net income/(loss) attributable to noncontrolling interests	1,618	1,211	14,963	404	3,029
Total consolidated NOI	\$ 167,315	\$ 164,134	\$ 166,297	\$ 153,565	\$ 150,432

Nominal Cap Rate: When the term “cap rate” is used by most market participants, they are referring to a “nominal cap rate”. Nominal cap rates represent the expected unleveraged first year yield a property buyer expects to realize on his/her investment. Like bond yields, nominal cap rates move inversely with property values – when values rise, cap rates fall, and vice versa.

Non-Mature Communities: The Company defines Non-Mature Communities as those communities that have not met the criteria to be included in Same-Store Communities.

Non-Residential / Other: The Company defines Non-Residential / Other as non-apartment components of mixed-use properties, land held, properties being prepared for redevelopment and properties where a material change in home count has occurred.

Physical Occupancy: The Company defines physical occupancy as the number of occupied homes divided by the total homes available at a community.

Prop 13: In California, an amendment enacted in 1978 that limits the tax rate on real estate. The proposition decreased property taxes by assessing property values at their 1975 value and restricted annual increases of assessed value to an inflation factor, not to exceed 2% per year. It also prohibited reassessment of a new base year except for: a) a change in ownership, or b) completion of new construction.

QTD Same-Store ("SS") Communities: 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, were not in process of any substantial redevelopment activities, and not held for disposition.

Real Estate Investment Trust Act of 1960: The federal law that authorized REITs. Its purpose was to allow small investors to pool their investments in real estate in order to get the same benefits as might be obtained by direct ownership, while also diversifying their risks and obtaining professional management.

Real Estate Investment Trust (REIT): A REIT is a company dedicated to owning and, in most cases, operating income-producing real estate, such as apartments, shopping centers, offices and warehouses. Some REITs also are engaged in financing real estate.

Recurring Capital Expenditures: The Company defines recurring capital expenditures as expenditures that are necessary to help preserve the value of and maintain functionality at its communities.

Redevelopment Communities: The Company generally defines Redevelopment Communities as those communities where substantial redevelopment is in progress that is expected to have a material impact on the community's operations, including occupancy levels and future rental rates.

Redevelopment Projected Weighted Average Return on Incremental Capital Invested: The projected weighted average return on incremental capital invested for redevelopment projects is NOI as set forth in the Stabilization Period for Redevelopment Yield definition, less Recurring Capital Expenditures, minus the project's annualized operating NOI prior to commencing the redevelopment, less Recurring Capital Expenditures, divided by total cost of the project.

Return on Equity ("ROE"): The Company defines ROE as a referenced quarter's NOI less interest expense, annualized, 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.

Return on Invested Capital ("ROIC"): The Company defines ROIC as a referenced quarter's NOI, annualized, 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.

Revenue Enhancing Capital Expenditures: The Company defines revenue-enhancing capital expenditures as expenditures that result in increased income generation over time.

Management considers revenue enhancing capital expenditures a useful metric for investors as it quantifies the amount of capital expenditures that are expected to grow, not just maintain, revenues.

Sold Communities: The Company defines Sold Communities as those communities that were disposed of prior to the end of the most recent quarter.

Stabilization for Same Store Classification: The Company generally defines stabilization as when a community's occupancy reaches 90% or above for at least three consecutive months.

Stabilized, Non-Mature Communities: The Company defines Stabilized, Non-Mature Communities as those communities that are stabilized but not yet in the Company's Same-Store portfolio.

Stabilization Period for Development Yield: The Company defines the stabilization period for development property yield as the forward twelve month NOI, excluding any remaining lease-up concessions outstanding, commencing one year following the delivery of the final home of the project.

Stabilization Period for Redevelopment Yield: The Company defines the stabilization period for a redevelopment property yield for purposes of computing the Projected Weighted Average Return on Incremental Capital Invested, as the forward twelve month NOI, excluding any remaining lease-up concessions outstanding, commencing one year following the delivery of the final home of a project.

Stabilized Yield on Developments: Expected stabilized yields on development are calculated as follows, projected stabilized NOI less management fees divided by budgeted construction cost on a project-specific basis. Projected stabilized NOI for development projects, calculated in accordance with the NOI reconciliation provided on page A-5, is set forth in the definition of Stabilization Period for Development Yield. Given the differing completion dates and years for which NOI is being projected for these communities as well as the complexities associated with estimating other expenses upon completion such as corporate overhead allocation, general and administrative costs and capital structure, a reconciliation to GAAP measures is not meaningful. Projected NOI for these projects is neither provided, nor is representative of Management's expectations for the Company's overall financial performance or cash flow growth and there can be no assurances that forecast NOI growth implied in the estimated construction yield of any project will be achieved.

Management considers estimated stabilized yield on development as a useful metric for investors as it helps provide context to the expected effects that development projects will have on the Company's future performance once stabilized.

Total Return: A stock's dividend income plus capital appreciation, before taxes and commissions.

Total Revenue per Occupied Home: The Company defines Total Revenue per Occupied Home as rental and other revenues, calculated in accordance with GAAP, divided by the product of occupancy and the number of apartment homes.

Management considers Total Revenue per Occupied Home a useful metric for investors as it serves as a proxy for portfolio quality, both geographic and physical.

TRS: The Company's taxable REIT subsidiary ("TRS") focuses on development, land entitlement and short-term hold investments. TRS gains on sales, net of taxes, is defined as net sales proceeds less a tax provision and the gross investment basis of the asset before accumulated depreciation.

UPREIT: In the typical umbrella partnership REIT (UPREIT), the partners of the existing partnerships and a REIT become partners in a new partnership termed the operating partnership. For their respective interests in the operating partnership (OP units), the partners contribute the properties from the existing partnership and the REIT contributes the cash proceeds from its public offering. The REIT typically is the general partner and the majority owner of the operating partnership.

After a period of time (often one year), the partners may enjoy the same liquidity of the REIT shareholders by tendering their OP units for either cash or REIT shares (at the option of the REIT or operating partnership). This redemption may result in the partners incurring the tax deferred at the UPREIT's formation.

YTD Same-Store ("SS") Communities: 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, were not in process of any substantial redevelopment activities, and not held for disposition.

DEFINITIONS AND RECONCILIATIONS

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 2016 and third quarter of 2016 to forecasted FFO, FFO as Adjusted and AFFO per share and unit:

	Full-Year 2016	
	Low	High
Forecasted net income per diluted share	\$ 0.23	\$ 0.27
Conversion from GAAP share count	(0.02)	(0.02)
Net gain on the sale of depreciable real estate owned	(0.03)	(0.03)
Depreciation	1.58	1.58
Noncontrolling interests	(0.01)	(0.01)
Preferred dividends	0.01	0.01
Forecasted FFO per diluted share and unit	\$ 1.76	\$ 1.80
Disposition-related FFO	(0.01)	(0.01)
Long-term incentive plan transition costs	-	-
Casualty-related (recoveries)/charges	0.01	0.01
Forecasted FFO as Adjusted per diluted share and unit	\$ 1.77	\$ 1.80
Recurring capital expenditures	(0.16)	(0.16)
Forecasted AFFO per diluted share and unit	\$ 1.61	\$ 1.64

	3Q 2016	
	Low	High
Forecasted net income per diluted share	\$ 0.04	\$ 0.07
Conversion from GAAP share count	-	(0.01)
Depreciation	0.40	0.40
Noncontrolling interests	-	-
Preferred dividends	-	-
Forecasted FFO per diluted share and unit	\$ 0.44	\$ 0.46
Disposition-related FFO	-	-
Long-term incentive plan transition costs	-	-
Casualty-related (recoveries)/charges	-	-
Forecasted FFO as Adjusted per diluted share and unit	\$ 0.44	\$ 0.46
Recurring capital expenditures	(0.05)	(0.05)
Forecasted AFFO per diluted share and unit	\$ 0.39	\$ 0.41

Certain statements in this brochure and the documents incorporated by reference herein contain forward-looking statements within the meaning of the United States securities laws. Words such as “expects,” “anticipates,” “intends,” “plans,” “likely,” “will,” “believes,” “seeks,” “estimates,” and variations of such words and similar expressions are intended to identify such forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from the results of operations or plans expressed or implied by such forward-looking statements. A discussion of these and other factors affecting our business and prospects is set forth under the caption “Item 1A. Risk Factors” in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission.

DEFINITIONS AND RECONCILIATIONS

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Quarter Ended
June 30, 2016

Coverage Ratios

Net income/(loss) attributable to UDR, Inc.	\$	17,946
Adjustments:		
Interest expense		30,678
Real estate depreciation and amortization		105,937
Real estate depreciation and amortization on unconsolidated joint ventures		12,299
Other depreciation and amortization		1,486
Noncontrolling interests		1,618
Income tax provision/(benefit)		(402)
EBITDA	\$	169,562
(Gain)/loss on sale of real estate owned, net of tax		(7,315)
Long-term incentive plan transition costs		28
Casualty-related (recoveries)/charges, including joint ventures, net		1,629
EBITDA - adjusted for non-recurring items	\$	163,904
Annualized EBITDA - adjusted for non-recurring items	\$	655,616
Interest expense	\$	30,678
Capitalized interest expense		3,786
Total interest	\$	34,464
Preferred dividends	\$	929
Total debt	\$	3,465,177
Cash		5,167
Net debt	\$	3,460,010
Interest Coverage Ratio		4.92x
Fixed Charge Coverage Ratio		4.79x
Interest Coverage Ratio - adjusted for non-recurring items		4.76x
Fixed Charge Coverage Ratio - adjusted for non-recurring items		4.63x
Net Debt-to-EBITDA - adjusted for non-recurring items		5.3x

DEFINITIONS AND RECONCILIATIONS

A-11

In thousands, except per share and unit amounts ⁽¹⁾	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income/(loss) attributable to common stockholders	\$ 17,017	\$ 85,924	\$ 26,481	\$ 158,815
Real estate depreciation and amortization	105,937	90,344	211,276	179,121
Noncontrolling interests	1,618	3,029	2,829	5,624
Real estate depreciation and amortization on unconsolidated joint ventures	12,299	10,017	22,649	19,867
Net gain on the sale of unconsolidated depreciable property ⁽²⁾	-	-	-	(59,073)
Net gain on the sale of depreciable real estate owned ⁽⁵⁾	(7,315)	(79,042)	(8,700)	(79,042)
Funds from operations ("FFO") attributable to common stockholders and unitholders, basic	<u>\$ 129,556</u>	<u>\$ 110,272</u>	<u>\$ 254,535</u>	<u>\$ 225,312</u>
Distributions to preferred stockholders - Series E (Convertible) ⁽³⁾	929	931	1,858	1,862
FFO attributable to common stockholders and unitholders, diluted	<u>\$ 130,485</u>	<u>\$ 111,203</u>	<u>\$ 256,393</u>	<u>\$ 227,174</u>
FFO per common share and unit, basic	<u>\$ 0.44</u>	<u>\$ 0.41</u>	<u>\$ 0.88</u>	<u>\$ 0.85</u>
FFO per common share and unit, diluted	<u>\$ 0.44</u>	<u>\$ 0.41</u>	<u>\$ 0.87</u>	<u>\$ 0.84</u>
Weighted average number of common shares and OP/DownREIT Units outstanding - basic	291,458	266,974	289,553	266,489
Weighted average number of common shares, OP/DownREIT Units, and common stock equivalents outstanding - diluted	296,392	271,931	294,446	271,448
Impact of adjustments to FFO:				
Acquisition-related costs/(fees), including joint ventures	\$ -	\$ 1,544	\$ -	\$ 1,743
Texas Joint Venture promote and disposition fee income ⁽²⁾	-	-	-	(9,633)
Long-term incentive plan transition costs	28	1,008	351	1,862
Net gain on the sale of non-depreciable real estate owned ⁽⁵⁾	-	-	(1,685)	-
Casualty-related (recoveries)/charges, including joint ventures, net ⁽⁴⁾	1,629	843	2,755	1,839
	<u>\$ 1,657</u>	<u>\$ 3,395</u>	<u>\$ 1,421</u>	<u>\$ (4,189)</u>
FFO as Adjusted attributable to common stockholders and unitholders, diluted	<u>\$ 132,142</u>	<u>\$ 114,598</u>	<u>\$ 257,814</u>	<u>\$ 222,985</u>
FFO as Adjusted per common share and unit, diluted	<u>\$ 0.45</u>	<u>\$ 0.42</u>	<u>\$ 0.88</u>	<u>\$ 0.82</u>
Recurring capital expenditures	(11,052)	(10,111)	(18,013)	(17,354)
AFFO attributable to common stockholders and unitholders	<u>\$ 121,090</u>	<u>\$ 104,487</u>	<u>\$ 239,801</u>	<u>\$ 205,631</u>
AFFO per common share and unit, diluted	<u>\$ 0.41</u>	<u>\$ 0.38</u>	<u>\$ 0.81</u>	<u>\$ 0.76</u>

(1) See pages A-2 to A-10 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 during the six months ended June 30, 2015.

(3) Series E preferred shares are dilutive for purposes of calculating FFO per share. Consequently, distributions to Series E preferred shareholders are added to FFO and the weighted average number of shares are included in the denominator when calculating FFO per common share and unit, diluted.

(4) Casualty-related charges for the six months ended June 30, 2016 include \$1.1 million related to UDR's share of the 717 Olympic casualty, which is included in income/(loss) from unconsolidated entities in Attachment 1.

(5) The GAAP gain for the six months ended June 30, 2016 is \$10.4 million, of which \$1.7 million is FFO gain related to the sale of two land parcels. The FFO gain is backed out for FFO as Adjusted.

Source: Company documents, NAREIT and Green Street Advisors.

