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UDR, Inc. Reports Tax Status of 2016 Dividends

Denver, CO., January 17, 2017 – UDR, Inc. (NYSE:[UDR](#)), reported today the tax status of its 2016 dividends paid to shareholders. Details on the classifications of the dividends are included in the table below:

| Record Date | Payment Date | Distribution Per Share | Ordinary Taxable Dividend | Qualified Ordinary | Long-Term Gain | Unrecaptured Section 1250 Gain | Return of Capital |
|-----------------------------------|--------------|------------------------|---------------------------|--------------------|----------------|--------------------------------|-------------------|
| Common Shares: | | | | | | | |
| 1/11/2016 | 2/1/2016 | 0.27750 | 60.929% | 0.000% | 26.572% | 12.499% | 0.000% |
| 4/11/2016 | 5/2/2016 | 0.29500 | 60.929% | 0.000% | 26.572% | 12.499% | 0.000% |
| 7/11/2016 | 8/1/2016 | 0.29500 | 60.929% | 0.000% | 26.572% | 12.499% | 0.000% |
| 10/11/2016 | 10/31/2016 | 0.29500 | 60.929% | 0.000% | 26.572% | 12.499% | 0.000% |
| Total | | \$1.16250 | | | | | |
| Preferred Shares Series E: | | | | | | | |
| 1/11/2016 | 2/1/2016 | 0.33220 | 60.929% | 0.000% | 26.572% | 12.499% | 0.000% |
| 4/11/2016 | 5/2/2016 | 0.33220 | 60.929% | 0.000% | 26.572% | 12.499% | 0.000% |
| 7/11/2016 | 8/1/2016 | 0.33220 | 60.929% | 0.000% | 26.572% | 12.499% | 0.000% |
| 10/11/2016 | 10/31/2016 | 0.33220 | 60.929% | 0.000% | 26.572% | 12.499% | 0.000% |
| Total | | \$1.32880 | | | | | |

Shareholders of record of the Company's common and preferred stock will receive an Internal Revenue Service Form 1099-DIV from Wells Fargo Shareowner Services, the Company's 2016 dividend paying agent. The form will report the dividends paid and the amounts designated as total ordinary dividends, qualified dividends, total capital gains, unrecaptured section 1250 gains, and nontaxable dividends. If shares were held in "street name" during 2016, the IRS form will be provided by a bank, brokerage firm, or nominee. Because the Company's tax return has not yet been filed for the year ended December 31, 2016, the dividend income tax allocations presented herein have been calculated using the best available information to date.

The tax treatment of these dividends by state and local authorities varies and may not be the same as the IRS's treatment. Because federal and state tax laws affect

individuals differently, the Company cannot advise shareholders on how dividends should be reported on their tax returns. The Company encourages shareholders to consult with their own tax advisors with respect to the federal, state and local income tax consequences of these dividends.

About UDR, Inc.

UDR, Inc. (NYSE:[UDR](#)), an S&P 500 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, 2016, UDR owned or had an ownership position in 51,129 apartment homes including 3,510 homes under development or in preferred equity investments. For over 45 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 ir.udr.com.

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