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Press Release

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UDR ANNOUNCES FOURTH QUARTER AND FULL-YEAR 2018 RESULTS AND 2019 GUIDANCE

UDR, Inc. (the "Company") Fourth Quarter 2018 Highlights:

- Net income per share was $0.30, Funds from Operations ("FFO") per share was $0.49, FFO as Adjusted ("FFOA") per share was $0.50, and Adjusted Funds from Operations ("AFFO") per share was $0.46.
- Net income attributable to common stockholders was $81.2 million as compared to $68.4 million in the prior year period. The increase was driven by higher operating income and gains on the sale of real estate.
- Year-over-year ("YOY") same-store ("SS") revenue, expense and net operating income ("NOI") growth rates were 3.7, 4.4, and 3.4 percent, respectively.
- The Company's $779.0 million pro-rata share of development projects in lease-up continued to realize strong demand, ending the fourth quarter at a weighted average 85.5 percent leased.
- Previously announced fourth quarter highlights include:
    - Sold Circle Towers, a 604-home community in Fairfax County, VA, for $160.0 million.
    - Issued $300.0 million of 10-year unsecured debt at an effective rate of 4.27 percent and 7.15 million common shares, at a net price of $41.98, for proceeds of approximately $300.0 million.

Subsequent to Quarter-End Highlights:

- Acquired partner's joint venture interests in Parallel, a 386-home community in Anaheim, CA, and CityLine II, a 155-home community in suburban Seattle, WA, for a total cash outlay of $131.7 million.
- Under contract to purchase Leonard Pointe, a 188-home community in Brooklyn, NY, for $132.3 million.
- Purchased 500 Penn Street NE, a development site in Washington, D.C., for $27.2 million, and 1590 Grove Street, a development site in Denver, CO, for $13.7 million.
- Realized approximately $6.5 million, net of estimated taxes, on the settlement of a $5.6 million note receivable to a multifamily technology company, resulting in an IRR of approximately 55 percent.
- Named Jerry A. Davis President, in addition to his responsibilities as Chief Operating Officer.

Full-Year 2018 Highlights:

- Net income per share was $0.74, FFO per share was $1.93, FFOA per share was $1.96, and AFFO per share was $1.80.
- Net income attributable to common stockholders was $199.2 million as compared to $117.9 million in the prior year period. The increase was driven by higher operating income and gains on the sale of real estate.
- YOY SS revenue, expense and NOI growth rates were 3.5, 3.6, and 3.4 percent, respectively.
- Increased the Company's declared dividend by 4.0 percent YOY to $1.29 per share.
- Completed construction of two wholly-owned and two UDR/MetLife JV developments comprising 1,634 homes with a total cost to construct of $808.5 million at the Company's ownership interest.
- Expanded the Developer Capital Program ("DCP") through committed investments totaling $93.1 million in four communities, comprising 1,087 homes, and at a weighted average yield of 10.4 percent.
- Repurchased approximately 593,000 common shares at an average price of $33.69 for approximately $20.0 million.
- Named Thomas W. Toomey Chairman of the Board, in addition to his responsibilities as Chief Executive Officer.

	Q4 2018	Q4 2017	FY 2018	FY 2017
Net income per common share, diluted	**$0.30**	**$0.25**	**$0.74**	**$0.44**
Conversion from GAAP share count	(0.028)	(0.024)	(0.069)	(0.041)
Net gain on the sale of depreciable real estate owned, incl. JVs	(0.221)	(0.209)	(0.459)	(0.260)
Cumulative effect of change in accounting principle	-	-	(0.007)	-
Depreciation and amortization, incl. JVs	0.411	0.416	1.653	1.642
Noncontrolling interests and preferred dividends	0.028	0.024	0.075	0.050
FFO per common share and unit, diluted	**$0.49**	**$0.46**	**$1.93**	**$1.83**
Cost/(benefit) associated with debt extinguishment and other, incl. JVs	0.010	0.011	0.012	0.031
Acquisition-related costs/(fees)	-	0.000	-	0.001
Net gain on the sale of non-depreciable real estate owned	-	-	-	(0.005)
Legal and other costs	0.001	-	0.005	-
Severance costs and other restructuring expense	0.000	0.002	0.000	0.002
Casualty-related charges/(recoveries), incl. JVs, net	(0.001)	0.002	0.008	0.012
FFOA per common share and unit, diluted	**$0.50**	**$0.48**	**$1.96**	**$1.87**
Recurring capital expenditures	(0.042)	(0.054)	(0.158)	(0.155)
AFFO per common share and unit, diluted	**$0.46**	**$0.42**	**$1.80**	**$1.72**

A reconciliation of FFO, FFOA and AFFO to GAAP Net income attributable to common stockholders can be found on Attachment 2 of the Company's fourth quarter Supplemental Financial Information.

Operations

In the fourth quarter, total revenue increased by $14.8 million year-over-year, or 5.8 percent, to $267.7 million. This increase was primarily attributable to growth in revenue from operating and lease-up communities.

In the fourth quarter, same-store NOI increased 3.4 percent year-over-year, driven by same-store revenue growth of 3.7 percent and same-store expense growth of 4.4 percent. Weighted average same-store physical occupancy increased by 10 basis points year-over-year to 96.8 percent. The fourth quarter annualized rate of turnover was 40.3 percent, representing a 130 basis point decrease year-over-year.

Summary of Same-Store Results Fourth Quarter 2018 versus Fourth Quarter 2017

Region	Revenue Growth	Expense Growth	NOI Growth	% of Same-Store Portfolio(1)	Same-Store Occupancy(2)	Number of Same-Store Homes(3)
West	4.0%	5.4%	3.5%	44.7%	96.4%	13,942
Mid-Atlantic	3.5%	3.6%	3.5%	22.7%	97.3%	9,876
Northeast	3.0%	4.9%	2.1%	15.6%	97.6%	3,493
Southeast	4.8%	3.1%	5.5%	12.4%	96.5%	7,683
Southwest	2.3%	4.0%	1.1%	4.6%	97.0%	3,313
Total	**3.7%**	**4.4%**	**3.4%**	**100.0%**	**96.8%**	**38,307**

(1) Based on Q4 2018 SS NOI.

(2) Weighted average same-store physical occupancy for the quarter.

(3) During the fourth quarter, 38,307 apartment homes 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, were not in process of any substantial redevelopment activities, and were not held for disposition.

In the fourth quarter, sequential same-store NOI increased by 1.1 percent, driven by same-store revenue growth of 0.1 percent and a decrease in same-store expenses of 2.3 percent. Weighted average same-store physical occupancy decreased by 10 basis points sequentially to 96.8 percent.

For the twelve months ended December 31, 2018, total revenue increased by $51.1 million year-over-year, or 5.1 percent, to $1.05 billion. This increase was primarily attributable to growth in revenue from operating and lease-up communities.

For the twelve months ended December 31, 2018, same-store NOI increased 3.4 percent year-over-year, driven by same-store revenue growth of 3.5 percent and same-store expense growth of 3.6 percent. Weighted average same-store physical occupancy increased by 20 basis points year-over-year to 96.9 percent. The year-to-date annualized rate of turnover was 49.3 percent, representing a 110 basis point decrease year-over-year.

Summary of Same-Store Results Full-Year 2018 versus Full-Year 2017

Region	Revenue Growth	Expense Growth	NOI Growth/ (Decline)	% of Same-Store Portfolio[1]	Same-Store Occupancy[2]	Number of Same-Store Homes[3]
West	4.3%	1.9%	5.0%	44.8%	96.5%	13,698
Mid-Atlantic	2.9%	4.3%	2.4%	22.9%	97.4%	9,876
Northeast	1.5%	6.1%	(0.4)%	15.7%	97.3%	3,493
Southeast	5.0%	3.6%	5.6%	12.7%	96.8%	7,683
Southwest	1.7%	4.6%	(0.2)%	3.9%	96.9%	2,923
Total	**3.5%**	**3.6%**	**3.4%**	**100.0%**	**96.9%**	**37,673**

(1) Based on YTD 2018 SS NOI.

(2) Weighted average same-store physical occupancy for YTD 2018.

(3) For the twelve months ended December 31, 2018, 37,673 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, were not in process of any substantial redevelopment activities, and were not held for disposition.

Development Activity

At the end of the fourth quarter, the Company's development pipeline totaled $779.0 million at its pro-rata ownership interest, and was 99 percent funded. All of the Company's development communities were in lease-up as of the end of the fourth quarter with weighted average leased and occupied percentages of 85.5 and 84.5 percent, respectively. The development pipeline is currently expected to produce a weighted average spread between stabilized yields and current market cap rates of 150 to 200 basis points.

DCP Activity

At the end of the fourth quarter, the Company's DCP investment, including accrued return, totaled $248.5 million.

During the quarter, the Company completed construction of The Arbory, a 276-home community located in Hillsboro, OR. The Company's ownership interest and initial investment in the community is 49.0 percent and $16.1 million.

Subsequent to quarter end, the Company exercised its fixed price options and acquired the 51.0 percent approximate interests it did not own in Parallel, a 386-home community completed in 2018 and located in the Platinum Triangle submarket of Anaheim, CA, and CityLine II, a 155-home community completed in 2018 and located in suburban Seattle, WA, from its West Coast Development JV for $45.9 million, net of its accrued preferred return. In addition, the Company paid-off $85.8 million of related construction financing, resulting in a total cash outlay of $131.7 million and a blended all-in investment in the two communities of $183.9 million. At the time of acquisition, average revenue per occupied home was $2,045 at Parallel and $2,083 at CityLine II.

Wholly-Owned Transactional Activity

As previously announced, during the fourth quarter, the Company sold Circle Towers, a 46 year-old, 604-home community located in Fairfax County, VA, for $160.0 million or $264,900 per home. At the time of sale, the community had a weighted average monthly revenue per occupied home of $2,092.

Subsequent to quarter end, the Company,

- Entered into a contract to purchase Leonard Pointe, a 4 year-old, 188-home community located in the Williamsburg neighborhood of Brooklyn, NY, for $132.3 million or $703,700 per home. The community is well-amenitized, highly walkable and offers easy access to Manhattan via the L-line and Long Island City via the G-line and has a weighted average monthly revenue per occupied home of $3,515. The transaction is expected to close in the first quarter, subject to customary closing conditions.

- Acquired 500 Penn Street NE, a development site located in the Union Market district of Washington, D.C., for $27.2 million.
- Acquired 1590 Grove Street, a development site located in the Sloan's Lake submarket of Denver, CO, for $13.7 million after originally entering into a contract to purchase the site during the first quarter of 2018.

Capital Markets and Balance Sheet Activity

As previously announced, during the fourth quarter, the Company issued,

- $300.0 million of 10-year unsecured debt at an effective rate of 4.27 percent. Proceeds were used to prepay $195.8 million of 5.28 percent secured debt originally scheduled to mature in October and December 2019 and for general corporate purposes.

- 7.15 million common shares, at a net price of $41.98, for proceeds of approximately $300.0 million. Proceeds are earmarked for asset acquisitions and for general corporate purposes.

During the fourth quarter, the UDR/MetLife Joint Venture refinanced the construction loan associated with Vision on Wilshire into a $71.4 million secured 10-year fixed-rate loan at a rate of 4.16 percent.

At December 31, 2018, the Company had approximately $1.3 billion in availability, through a combination of cash and undrawn capacity, on its credit facilities.

The Company's total indebtedness at December 31, 2018 was $3.5 billion. The Company ended the quarter with fixed-rate debt representing 93.5 percent of its total debt, a total blended interest rate of 3.7 percent and a weighted average maturity of 5.8 years. The Company's consolidated leverage was 31.2 percent versus 33.2 percent a year ago, its consolidated net-debt-to-EBITDAre was 5.0x versus 5.8x a year ago and its consolidated fixed charge coverage ratio was 4.6x versus 4.4x a year ago.

Senior Management

Subsequent to quarter end, the Company announced that Jerry A. Davis was appointed President, in addition to his responsibilities as Chief Operating Officer.

Dividend

As previously announced, the Company's Board of Directors declared a regular quarterly dividend on its common stock for the fourth quarter of 2018 in the amount of $0.3225 per share. The dividend was paid in cash on January 31, 2019 to UDR common stock shareholders of record as of January 10, 2019. The fourth quarter 2018 dividend represented the 185th consecutive quarterly dividend paid by the Company on its common stock.

In conjunction with this release, the Company's Board of Directors approved a 2019 annualized dividend per share of $1.37, a 6.2 percent increase over 2018.

Outlook

For the first quarter of 2019, the Company has established the following earnings guidance ranges:

Net income per share	$0.09 to $0.11
FFO per share	$0.50 to $0.52
FFOA per share	$0.48 to $0.50
AFFO per share	$0.46 to $0.48

For the full-year 2019, the Company has established the following earnings guidance ranges:

Net income per share	$0.38 to $0.42
FFO per share	$2.05 to $2.09
FFOA per share	$2.03 to $2.07
AFFO per share	$1.87 to $1.91

Full-Year 2018 FFOA per share as compared to full-year 2019 FFOA per share guidance at the midpoint:

The difference between the Company's full-year 2018 FFOA of $1.96 per share and the $2.05 per share midpoint of its full-year 2019 FFOA guidance range is primarily due to:

- A positive impact of approximately $0.08 from same-store, stabilized JVs and commercial operations;
- A positive impact of approximately $0.05 from development, DCP and other transactional activity;
- A negative impact of approximately $0.01 from higher G&A;
- A negative impact of approximately $0.01 from the recent equity issuance; and
- A negative impact of approximately $0.02 from higher incremental financing costs inclusive of higher LIBOR expectations.

For the full-year 2019, the Company has established the following same-store growth and occupancy guidance ranges:

Revenue growth	3.00% to 4.00%
Expense growth	2.75% to 3.75%
Net operating income growth	3.25% to 4.25%
Physical Occupancy	96.8% to 97.0%

Additional assumptions for the Company's first quarter and full-year 2019 guidance can be found on Attachment 15 of the Company's fourth quarter Supplemental Financial Information. A reconciliation of FFO per share, FFO as Adjusted per share and AFFO per share to GAAP Net income per share can be found on Attachment 16(D) of the Company's fourth quarter Supplemental Financial Information. Non-GAAP financial measures and other terms, as used in this earnings release, are defined and further explained on Attachments 16(A) through 16(D), "Definitions and Reconciliations," of the Company's fourth 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 ir.udr.com.

Conference Call and Webcast Information

UDR will host a webcast and conference call at 1:00 p.m. Eastern Time on February 13, 2019 to discuss fourth quarter and full-year results, recent events, 2019 guidance and management's views on the economy and the apartment industry. The webcast will be available on UDR's website at ir.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 877-705-6003 for domestic and 201-493-6725 for international. A passcode is not necessary.

A replay of the conference call will be available through March 13, 2019, by dialing 844-512-2921 for domestic and 412-317-6671 for international and entering the confirmation number, 13686346, when prompted for the passcode.

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

Full Text of the Earnings Report and Supplemental Data

The full text of the earnings report and Supplemental Financial Information will be available on the Company's website at ir.udr.com.

Attachment 16(B)

UDR, Inc.
Definitions and Reconciliations
December 31, 2018
(Unaudited)

Funds from Operations as Adjusted ("FFO as Adjusted") attributable to common stockholders and unitholders: The Company defines FFO as Adjusted attributable to common stockholders and unitholders 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 or losses on sales of non-depreciable property and marketable securities, 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/(loss) 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 Attachment 2.

Funds from Operations ("FFO") attributable to common stockholders and unitholders: The Company defines FFO attributable to common stockholders and unitholders as net income/(loss) attributable to common stockholders (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 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, if OP Units, DownREIT Units, unvested restricted stock, unvested LTIP units, stock options, and the shares of Series E Cumulative Convertible Preferred Stock are dilutive, they are included in the diluted share count.

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/(loss) attributable to common stockholders 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.

Joint Venture Reconciliation at UDR's weighted average ownership interest:

In thousands	4Q 2018	YTD 2018
Income/(loss) from unconsolidated entities	$ 36	$ (5,055)
Management fee	1,235	4,891
Interest expense	10,686	40,503
Depreciation	16,040	61,871
General and administrative	130	536
West Coast Development JV Preferred Return - Attachment 12(B)	(951)	(4,078)
Developer Capital Program - Other (excludes Alameda Point Block 11)	(3,614)	(9,713)
Other (income)/expense	740	1,468
Total Joint Venture NOI at UDR's Ownership Interest	$ 24,302	$ 90,423

Net Operating Income ("NOI"): The Company defines NOI as rental income less direct property rental expenses. Rental income represents gross market rent and other revenues 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	4Q 2018	3Q 2018	2Q 2018	1Q 2018	4Q 2017
Net income/(loss) attributable to UDR, Inc.	$ 82,139	$ 18,610	$ 20,601	$ 81,756	$ 69,280
Property management	7,280	7,240	7,057	6,888	6,878
Other operating expenses	3,952	3,314	2,825	2,009	3,050
Real estate depreciation and amortization	106,469	107,881	106,520	108,136	109,401
Interest expense	38,226	34,401	31,598	29,943	34,211
Casualty-related charges/(recoveries), net	(243)	678	746	940	586
General and administrative	10,955	11,896	12,373	11,759	11,590
Tax provision/(benefit), net	70	158	233	227	(1,065)
(Income)/loss from unconsolidated entities	(36)	1,382	2,032	1,677	(19,666)
Interest income and other (income)/expense, net	(1,660)	(1,188)	(1,128)	(2,759)	(548)
Joint venture management and other fees	(2,935)	(2,888)	(3,109)	(2,822)	(2,764)
Other depreciation and amortization	1,616	1,682	1,684	1,691	1,648
(Gain)/loss on sale of real estate owned, net of tax	(65,897)	-	-	(70,300)	(41,272)
Net income/(loss) attributable to noncontrolling interests	7,476	1,648	1,843	7,469	6,347
Total consolidated NOI	$ 187,412	$ 184,814	$ 183,275	$ 176,614	$ 177,676

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. 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. Such factors include, among other things, unfavorable changes in the apartment market, changing economic conditions, the impact of inflation/deflation on rental rates and property operating expenses, expectations concerning the availability of capital and the stability of the capital markets, the impact of competition and competitive pricing, acquisitions, developments and redevelopments not achieving anticipated results, delays in completing developments and redevelopments, delays in completing lease-ups on schedule or at expected rent and occupancy levels, expectations on job growth, home affordability and demand/supply ratio for multifamily housing, expectations concerning development and redevelopment activities, expectations on occupancy levels and rental rates, expectations concerning joint ventures and partnerships 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.

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 December 31, 2018, UDR owned or had an ownership position in 48,860 apartment homes including 817 homes under development or in its Developer Capital Program – West Coast Development Joint Venture. For over 46 years, UDR has delivered long-term value to shareholders, the best standard of service to residents and the highest quality experience for associates.

Attachment 1

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

In thousands, except per share amounts	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	Twelve Months Ended December 31, 2018	Twelve Months Ended December 31, 2017
REVENUES:				
Rental income	$ 264,732	$ 250,116	$ 1,035,105	$ 984,309
Joint venture management and other fees	2,935	2,764	11,754	11,482
Total revenues	267,667	252,880	1,046,859	995,791
OPERATING EXPENSES:				
Property operating and maintenance	42,949	42,086	169,078	164,660
Real estate taxes and insurance	34,371	30,354	133,912	121,146
Property management	7,280	6,878	28,465	27,068
Other operating expenses	3,952	3,050	12,100	9,060
Real estate depreciation and amortization	106,469	109,401	429,006	430,054
Acquisition costs	-	27	-	371
General and administrative	10,955	11,563	46,983	48,195
Casualty-related charges/(recoveries), net	(243)	586	2,121	4,335
Other depreciation and amortization	1,616	1,648	6,673	6,408
Total operating expenses	207,349	205,593	828,338	811,297
Gain/(loss) on sale of real estate owned	65,897	41,272	136,197	43,404
Operating income	126,215	88,559	354,718	227,898
Income/(loss) from unconsolidated entities [2]	36	19,666	(5,055)	31,257
Interest expense	(35,334)	(30,833)	(130,869)	(119,499)
(Cost)/benefit associated with debt extinguishment and other	(2,892)	(3,378)	(3,299)	(9,212)
Total interest expense	(38,226)	(34,211)	(134,168)	(128,711)
Interest income and other income/(expense), net	1,660	548	6,735	1,971
Income/(loss) before income taxes	89,685	74,562	222,230	132,415
Tax (provision)/benefit, net	(70)	1,065	(688)	240
Net Income/(loss)	89,615	75,627	221,542	132,655
Net (income)/loss attributable to redeemable noncontrolling interests in the OP and DownREIT Partnership [3]	(7,396)	(6,290)	(18,215)	(10,933)
Net (income)/loss attributable to noncontrolling interests	(80)	(57)	(221)	(164)
Net income/(loss) attributable to UDR, Inc.	82,139	69,280	203,106	121,558
Distributions to preferred stockholders - Series E (Convertible)	(971)	(924)	(3,868)	(3,708)
Net income/(loss) attributable to common stockholders	$ 81,168	$ 68,356	$ 199,238	$ 117,850
Income/(loss) per weighted average common share - basic:	$0.30	$0.26	$0.74	$0.44
Income/(loss) per weighted average common share - diluted:	$0.30	$0.25	$0.74	$0.44
Common distributions declared per share	$0.3225	$0.3100	$1.29	$1.24
Weighted average number of common shares outstanding - basic	270,107	267,270	268,179	267,024
Weighted average number of common shares outstanding - diluted	270,755	269,221	269,483	268,830

(1) See Attachment 16 for definitions and other terms.
(2) During the three and twelve months ended December 31, 2017, UDR recorded gains on sale or consolidation of approximately $20.9 million and $35.4 million, respectively.
(3) Due to the quarterly calculation of noncontrolling interest, the sum of the quarterly amounts will not equal the annual totals.

Attachment 2

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

In thousands, except per share and unit amounts	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	Twelve Months Ended December 31, 2018	Twelve Months Ended December 31, 2017
Net income/(loss) attributable to common stockholders	$ 81,168	$ 68,356	$ 199,238	$ 117,850
Real estate depreciation and amortization	106,469	109,401	429,006	430,054
Noncontrolling interests	7,476	6,347	18,436	11,097
Real estate depreciation and amortization on unconsolidated joint ventures	16,040	14,128	61,871	57,102
Cumulative effect of change in accounting principle [2]	-	-	(2,100)	-
Net gain on the sale of unconsolidated depreciable property	-	(20,850)	-	(35,363)
Net gain on the sale of depreciable real estate owned	(65,897)	(41,272)	(136,197)	(41,824)
Funds from operations ("FFO") attributable to common stockholders and unitholders, basic	$ 145,256	$ 136,110	$ 570,254	$ 538,916
Distributions to preferred stockholders - Series E (Convertible) [3]	971	924	3,868	3,708
FFO attributable to common stockholders and unitholders, diluted	$ 146,227	$ 137,034	$ 574,122	$ 542,624
FFO per weighted average common share and unit, basic	$ 0.49	$ 0.47	$ 1.95	$ 1.85
FFO per weighted average common share and unit, diluted	$ 0.49	$ 0.46	$ 1.93	$ 1.83
Weighted average number of common shares and OP/DownREIT Units outstanding - basic	294,661	291,911	292,727	291,845
Weighted average number of common shares, OP/DownREIT Units, and common stock equivalents outstanding - diluted	298,321	296,873	297,042	296,672
Impact of adjustments to FFO:				
Cost/(benefit) associated with debt extinguishment and other	$ 2,892	$ 3,378	$ 3,299	$ 9,212
Cost/(benefit) associated with debt extinguishment and other on unconsolidated joint ventures	102	-	177	-
Acquisition-related costs/(fees)	-	27	-	371
Net gain on the sale of non-depreciable real estate owned [4]	-	-	-	(1,580)
Legal and other costs	434	-	1,622	-
Severance costs and other restructuring expense	114	624	114	624
Casualty-related charges/(recoveries), net	(191)	647	2,364	4,504
Casualty-related charges/(recoveries) on unconsolidated joint ventures, net	-	-	-	(881)
	$ 3,351	$ 4,676	$ 7,576	$ 12,250
FFO as Adjusted attributable to common stockholders and unitholders, diluted	$ 149,578	$ 141,710	$ 581,698	$ 554,874
FFO as Adjusted per weighted average common share and unit, diluted	$ 0.50	$ 0.48	$ 1.96	$ 1.87
Recurring capital expenditures	(12,516)	(15,912)	(46,915)	(46,034)
AFFO attributable to common stockholders and unitholders, diluted	$ 137,062	$ 125,798	$ 534,783	$ 508,840
AFFO per weighted average common share and unit, diluted	$ 0.46	$ 0.42	$ 1.80	$ 1.72

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

(2) During 1Q18, UDR adopted ASU No. 2016 01, *Financial Instruments – Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities*. The updated standard requires certain equity securities to be measured at fair value on the balance sheet, with changes in fair value recognized in net income. The adoption of the standard resulted in UDR recording a gain of $2.1 million in Interest income and other income/(expense), net on the Consolidated Statements of Operations. As such, the cumulative effect of the change in accounting principle is backed out for FFO.

(3) Series E preferred shares are dilutive for purposes of calculating FFO per share. Consequently, distributions to Series E preferred stockholders 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) The GAAP gain for the year ended December 31, 2017 is $43.4 million, of which $1.6 million is FFO gain related to the sale of land parcels. The FFO gain is backed out for FFO as Adjusted.

Attachment 3

UDR, Inc.
Consolidated Balance Sheets
(Unaudited) [1]

In thousands, except share and per share amounts	December 31, 2018	December 31, 2017
ASSETS		
Real estate owned:		
Real estate held for investment	$ 10,196,159	$ 9,584,716
Less: accumulated depreciation	(3,654,160)	(3,326,312)
Real estate held for investment, net	6,541,999	6,258,404
Real estate under development		
(net of accumulated depreciation of $0 and $3,854)	-	588,636
Total real estate owned, net of accumulated depreciation	6,541,999	6,847,040
Cash and cash equivalents	185,216	2,038
Restricted cash	23,675	19,792
Notes receivable, net	42,259	19,469
Investment in and advances to unconsolidated joint ventures, net	780,869	720,830
Other assets	137,710	124,104
Total assets	$ 7,711,728	$ 7,733,273
LIABILITIES AND EQUITY		
Liabilities:		
Secured debt	$ 601,227	$ 803,269
Unsecured debt	2,946,560	2,868,394
Real estate taxes payable	20,608	18,349
Accrued interest payable	38,747	33,432
Security deposits and prepaid rent	35,060	31,916
Distributions payable	97,666	91,455
Accounts payable, accrued expenses, and other liabilities	76,343	102,956
Total liabilities	3,816,211	3,949,771
Redeemable noncontrolling interests in the OP and DownREIT Partnership	972,740	948,138
Equity:		
Preferred stock, no par value; 50,000,000 shares authorized		
2,780,994 shares of 8.00% Series E Cumulative Convertible issued		
and outstanding (2,780,994 shares at December 31, 2017)	46,200	46,200
15,802,393 shares of Series F outstanding (15,852,721 shares		
at December 31, 2017)	1	1
Common stock, $0.01 par value; 350,000,000 shares authorized		
275,545,900 shares issued and outstanding (267,822,069 shares at December 31, 2017)	2,755	2,678
Additional paid-in capital	4,920,732	4,651,205
Distributions in excess of net income	(2,063,996)	(1,871,603)
Accumulated other comprehensive income/(loss), net	(67)	(2,681)
Total stockholders' equity	2,905,625	2,825,800
Noncontrolling interests	17,152	9,564
Total equity	2,922,777	2,835,364
Total liabilities and equity	$ 7,711,728	$ 7,733,273

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

Attachment 4(C)

UDR, Inc.
Selected Financial Information
(Dollars in Thousands)
(Unaudited) (1)

Coverage Ratios	Quarter Ended December 31, 2018
Net income/(loss)	$ 89,615
Adjustments:	
Interest expense, including costs associated with debt extinguishment	38,226
Real estate depreciation and amortization	106,469
Other depreciation and amortization	1,616
Income tax provision/(benefit), net	70
Net gain on the sale of depreciable real estate owned	(65,897)
Adjustments to reflect the Company's share of EBITDAre of unconsolidated joint ventures	26,726
EBITDAre	$ 196,825
Casualty-related charges/(recoveries), net	(191)
Legal and other costs	434
Severance costs and other restructuring expense	114
(Income)/loss from unconsolidated entities	(36)
Adjustments to reflect the Company's share of EBITDAre of unconsolidated joint ventures	(26,726)
Management fee expense on unconsolidated joint ventures	(1,235)
Consolidated EBITDAre - adjusted for non-recurring items	$ 169,185
Annualized consolidated EBITDAre - adjusted for non-recurring items	$ 676,740
Interest expense, including costs associated with debt extinguishment	38,226
Capitalized interest expense	734
Total interest	$ 38,960
Costs associated with debt extinguishment	(2,892)
Total interest - adjusted for non-recurring items	$ 36,068
Preferred dividends	$ 971
Total debt	$ 3,547,787
Cash	(185,216)
Net debt	$ 3,362,571
Consolidated Interest Coverage Ratio - adjusted for non-recurring items	**4.7x**
Consolidated Fixed Charge Coverage Ratio - adjusted for non-recurring items	**4.6x**
Consolidated Net Debt-to-EBITDAre - adjusted for non-recurring items	**5.0x**

Debt Covenant Overview

Unsecured Line of Credit Covenants (2)	Required	Actual	Compliance
Maximum Leverage Ratio	≤60.0%	31.4% (2)	Yes
Minimum Fixed Charge Coverage Ratio	≥1.5x	3.8x	Yes
Maximum Secured Debt Ratio	≤40.0%	11.6%	Yes
Minimum Unencumbered Pool Leverage Ratio	≥150.0%	392.6%	Yes

Senior Unsecured Note Covenants (3)	Required	Actual	Compliance
Debt as a percentage of Total Assets	≤65.0%	31.3% (3)	Yes
Consolidated Income Available for Debt Service to Annual Service Charge	≥1.5x	5.4x	Yes
Secured Debt as a percentage of Total Assets	≤40.0%	5.3%	Yes
Total Unencumbered Assets to Unsecured Debt	≥150.0%	314.3%	Yes

Securities Ratings	Debt	Preferred	Outlook	Commercial Paper
Moody's Investors Service	Baa1	Baa2	Stable	P-2
Standard & Poor's	BBB+	BBB-	Stable	A-2

Asset Summary	Number of Homes	4Q 2018 NOI (1) ($000s)	% of NOI	Gross Carrying Value ($000s)	% of Total Gross Carrying Value
Unencumbered assets	34,999	$ 165,949	88.5%	$ 8,895,126	87.2%
Encumbered assets	4,932	21,463	11.5%	1,301,033	12.8%
	39,931	$ 187,412	100.0%	$ 10,196,159	100.0%

(1) See Attachment 16 for definitions and other terms.
(2) As defined in our credit agreement dated September 27, 2018.
(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
December 31, 2018
(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 2019 and first quarter of 2019 to forecasted FFO, FFO as Adjusted and AFFO per share and unit:

	Full-Year 2019	
	Low	High
Forecasted net income per diluted share	$ 0.38	$ 0.42
Conversion from GAAP share count	(0.02)	(0.02)
Depreciation	1.65	1.65
Noncontrolling interests	0.03	0.03
Preferred dividends	0.01	0.01
Forecasted FFO per diluted share and unit	**$ 2.05**	**$ 2.09**
Legal and other costs	-	-
Cost associated with debt extinguishment	-	-
Casualty-related charges/(recoveries)	-	-
Promoted interest on settlement of note receivable, net of tax	(0.02)	(0.02)
Forecasted FFO as Adjusted per diluted share and unit	**$ 2.03**	**$ 2.07**
Recurring capital expenditures	(0.16)	(0.16)
Forecasted AFFO per diluted share and unit	**$ 1.87**	**$ 1.91**

	1Q 2019	
	Low	High
Forecasted net income per diluted share	$ 0.09	$ 0.11
Conversion from GAAP share count	(0.01)	(0.01)
Depreciation	0.41	0.41
Noncontrolling interests	0.01	0.01
Preferred dividends	-	-
Forecasted FFO per diluted share and unit	**$ 0.50**	**$ 0.52**
Legal and other costs	-	-
Cost associated with debt extinguishment	-	-
Casualty-related charges/(recoveries)	-	-
Promoted interest on settlement of note receivable, net of tax	(0.02)	(0.02)
Forecasted FFO as Adjusted per diluted share and unit	**$ 0.48**	**$ 0.50**
Recurring capital expenditures	(0.02)	(0.02)
Forecasted AFFO per diluted share and unit	**$ 0.46**	**$ 0.48**