



Opening doors to the future®

Press Release

DENVER, CO – October 26, 2015

Contact: Shelby Noble
Phone: 720.922.6082

UDR ANNOUNCES THIRD QUARTER 2015 RESULTS AND INCREASES FULL-YEAR 2015 EARNINGS AND SAME-STORE GUIDANCE

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

- Funds from Operations (“FFO”) per share was \$0.42, FFO as Adjusted per share was \$0.42 (+10% year-over-year) and AFFO per share was \$0.37 (+11%).
- Year-over-year same-store (“SS”) revenue and net operating income (“NOI”) growth for the quarter were 5.9 percent and 7.3 percent, respectively.
- Issued \$300 million of 4.0 percent, 10-year senior unsecured notes, with a yield-to-maturity of 4.03 percent.
- Issued ~\$102 million of common stock at \$35, net, per share, in-line with Street consensus NAV.
- Subsequent to quarter end, completed the acquisition of six Washington, D.C. communities for a total purchase price of \$901 million from Home Properties, L.P.
- Entered into a contract to sell \$287 million of apartment communities and will exit the Norfolk, VA market with the completion of the transaction.
- Increased full-year 2015 earnings and same-store growth guidance for the third time this year:
 - FFO as Adjusted per share guidance range increased by \$0.01 at the midpoint and AFFO per share guidance range increased by \$0.02 at the midpoint.
 - SS revenue growth guidance range: 5.25 to 5.50 percent (+12.5 bps at the midpoint).
 - SS NOI growth guidance range: 6.25 to 6.75 percent (+25 bps at the midpoint).

	Q3 2015	Q3 2014	YTD 2015	YTD 2014
FFO per common share and unit, diluted	\$0.42	\$0.41	\$1.25	\$1.16
Acquisition-related costs/(fees), including joint ventures	0.002	0.000	0.008	0.001
Cost/(benefit) associated with debt extinguishment and other	-	-	-	0.001
Texas Joint Venture promote and disposition fee income	-	-	(0.035)	-
Long-term incentive plan transition costs	0.003	-	0.010	-
(Gain)/loss on sale of land	-	-	-	(0.004)
Net gain on prepayment of note receivable	-	(0.032)	-	(0.032)
Casualty-related (recoveries)/charges (including joint ventures), net	0.003	-	0.010	0.002
FFO as Adjusted per common share and unit, diluted	\$0.42	\$0.38	\$1.24	\$1.13
Recurring capital expenditures	(0.050)	(0.046)	(0.114)	(0.113)
AFFO per common share and unit, diluted	\$0.37	\$0.34	\$1.13	\$1.01

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

Operations

Same-store NOI increased 7.3 percent year-over-year in the third quarter of 2015 driven by same-store revenue growth of 5.9 percent against a 2.7 percent increase in same-store expenses. Same-store physical occupancy was 96.6 percent as compared to 96.9 percent in the prior year period. The annualized rate of turnover was 54.7 percent for the quarter.

Summary of Same-Store Results Third Quarter 2015 versus Third 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	8.1%	(0.6)%	11.4%	45.5%	96.2%	12,493
Mid-Atlantic	1.7%	5.7%	(0.1)%	21.1%	96.4%	8,216
Southeast	6.5%	(0.9)%	10.7%	13.7%	97.1%	7,683
Northeast	5.8%	11.7%	3.8%	12.7%	97.5%	2,384
Southwest	5.3%	5.2%	5.4%	7.0%	97.2%	3,998
Total	5.9%	2.7%	7.3%	100.0%	96.6%	34,774

(1) Based on Q3 2015 NOI.

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

(3) During the third quarter, 34,774 apartment homes, or approximately 88 percent of 39,405 total consolidated apartment homes (versus 49,323 apartment homes inclusive of joint ventures, preferred equity investments 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, were not in process of any substantial redevelopment activities, and not held for disposition.

Sequentially, third quarter results followed typical seasonal trends with the Company's same-store NOI increasing by 0.4 percent on revenue growth of 1.8 percent against a 5.5 percent increase in expenses.

For the nine months ended September 30, 2015, the Company's same-store revenue increased 5.4 percent as compared to the prior year period in 2014. Same-store expenses increased 2.3 percent year-over-year resulting in a same-store NOI increase of 6.8 percent as compared to the prior year period in 2014. Year-over-year same-store physical occupancy increased by 20 basis points to 96.8 percent.

Summary of Same-Store Results YTD 2015 versus YTD 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	7.6%	(1.5)%	11.0%	41.6%	96.5%	11,214
Mid-Atlantic	1.8%	3.9%	0.9%	23.0%	96.7%	8,216
Southeast	5.8%	3.6%	7.0%	14.5%	97.0%	7,683
Northeast	5.6%	6.6%	5.3%	13.5%	97.4%	2,384
Southwest	5.2%	4.7%	5.5%	7.4%	97.1%	3,998
Total	5.4%	2.3%	6.8%	100.0%	96.8%	33,495

(1) Based on YTD 2015 NOI.

(2) Average same-store occupancy for YTD 2015.

(3) During the nine months ended September 30, 2015, 33,495 apartment homes, or approximately 85 percent of 39,405 total consolidated apartment homes, were classified as same-store. The Company defines YTD SS Communities as those communities stabilized for two full consecutive calendar years. These communities were owned and had stabilized occupancy and operating expenses as of the beginning of the prior year, were not in process of any substantial redevelopment activities, and not held for disposition.

Development and Redevelopment Activity

At the end of the third quarter, the Company had a development pipeline for which its pro rata share totaled \$1 billion with 70 percent of the equity commitment funded. The \$1 billion consisted of \$345 million of completed, non-stabilized projects and \$670 million of under construction projects. Of the remaining \$670 million in development projects left to complete, \$162 million is expected to be completed in 2016, \$166 million in 2017 and the balance in 2018. The development pipeline is currently expected to produce a weighted average spread between estimated stabilized yields and current market cap rates at or above the upper end of the Company's 150 to 200 basis point targeted range.

In addition, the Company had preferred equity and participating loan investments for which its pro rata share totaled \$364 million with 95 percent of the equity commitment funded. The \$364 million consisted of a \$93 million completed, non-stabilized project and \$271 million of under construction projects. Of the remaining \$271 million in development projects left to complete, \$215 million is expected to be completed in 2016 and the balance in 2017.

Transactional Activity

Subsequent to quarter end, the Company completed the previously announced acquisition of six Washington, D.C. communities for a total purchase price of \$901 million from Home Properties, L.P. The Company purchased the communities through a combination of \$565 million of newly issued UDR DownREIT Units issued at \$35 per unit, the assumption of \$89 million of debt, \$221 million of Section 1031 exchanges under contract and \$26 million in cash.

During the quarter, in conjunction with the Washington, D.C. acquisition, the Company entered into a contract to sell six communities for \$221 million through Section 1031 exchanges. Additionally, during the quarter, the Company entered into a contract to sell two communities for \$66 million. Combined, the eight communities had a weighted average revenue per occupied home of \$1,372 and were 39 years old on average. The transactions are expected to close in December 2015. Upon completion of the dispositions, the Company will have exited the Norfolk, VA market.

Capital Markets

During the third quarter, the Company issued approximately 2.9 million shares of common stock in a public offering, at a net price of \$35 per share, for a total of \$102 million. The issuance was completed in-line with Street consensus NAV.

Additionally, the Company issued \$300 million of 4.0 percent, 10-year senior unsecured notes, with a yield-to-maturity of 4.03 percent. The proceeds for both issuances were used primarily to pay down indebtedness outstanding on its \$900 million unsecured credit facility and for general corporate purposes.

As mentioned above, subsequent to quarter end, in conjunction with the Washington, D.C. acquisition, the Company issued \$565 million UDR DownREIT Units at \$35 per unit.

Subsequent to quarter end, the Company amended its unsecured revolving credit facility. The amendment increases the facility size from \$900 million to \$1.1 billion and extends the maturity date from December 2017 to January 2021, inclusive of a 1 year extension exercisable at the option of the borrower. Based on the Company's current credit rating, the credit facility carries an interest rate equal to LIBOR plus a spread of 90 basis points, a reduction of 10 basis points from its previous agreement and the facility fee remains at 15 basis points.

In addition, the Company amended and consolidated its \$350 million of term loans outstanding under the same facility. The loans were repriced to LIBOR plus 95 basis points from LIBOR plus 115 basis points and the maturity date was extended to January 2021.

Balance Sheet

At September 30, 2015, the Company had \$791 million in availability through a combination of cash and undrawn capacity on its credit facility.

The Company's total indebtedness at September 30, 2015 was \$3.5 billion. The Company ended the quarter with fixed-rate debt representing 85 percent of its total debt, a total blended interest rate of 3.9 percent and a weighted average maturity of 4.5 years. The Company's leverage was 36.7 percent versus 39.2 percent a year ago, net debt-to-EBITDA was 6.0x versus 6.7x a year ago and fixed charge coverage was 4.2x versus 3.4x a year ago.

Dividend

As previously announced, the Company's Board of Directors declared a regular quarterly dividend on its common stock for the third quarter of 2015 in the amount of \$0.2775 per share. The dividend will be paid in cash on November 2, 2015 to UDR common stock shareholders of record as of October 12, 2015. The third quarter 2015 dividend will represent the 172nd consecutive quarterly dividend paid by the Company on its common stock.

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

Outlook

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

	<u>Current</u>
FFO per share	\$0.40 to \$0.42
FFO as Adjusted per share	\$0.41 to \$0.43
AFFO per share	\$0.36 to \$0.38

For the full-year 2015, the Company has increased its previously provided earnings guidance ranges as a result of better-than-expected operations. Below are the full-year guidance ranges:

	<u>Revised</u>	<u>July 2015</u>
FFO per share	\$1.65 to \$1.67	\$1.64 to \$1.68
FFO as Adjusted per share	\$1.65 to \$1.67	\$1.63 to \$1.67
AFFO per share	\$1.49 to \$1.51	\$1.46 to \$1.50

For the full-year 2015, the Company has increased its previously provided same-store growth guidance range as a result of stronger-than-expected new lease and renewal rate growth. Below are the full-year guidance ranges:

	<u>Revised</u>	<u>July 2015</u>
Revenue	5.25% to 5.50%	5.00% to 5.50%
Expense	2.75% to 3.00%	2.50% to 3.00%
Net operating income	6.25% to 6.75%	5.75% to 6.75%

Additional assumptions for the Company's fourth quarter and full-year 2015 guidance can be found on Attachment 15 of the Company's third quarter Supplemental Financial Information.

Supplemental Information

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

Conference Call and Webcast Information

UDR will host a webcast and conference call at 1:00 p.m. Eastern Time on October 27, 2015 to discuss third quarter results. The webcast will be available on UDR's website at www.udr.com. To listen to a live broadcast, access the site at least 15 minutes prior to the scheduled start time in order to register, download and install any necessary audio software.

To participate in the teleconference dial 888-312-3046 for domestic and 719-325-2174 for international and provide the following conference ID number: 671951.

A replay of the conference call will be available through November 26, 2015, by dialing 888-203-1112 for domestic and 719-457-0820 for international and entering the confirmation number, 671951, when prompted for the pass code.

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

Full Text of the Earnings Report and Supplemental Data

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

Mail -- For those without Internet access, the third quarter 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 September 30, 2015 (Unaudited)

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, 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

	3Q 2015	YTD 2015
Income/(loss) from unconsolidated entities	\$ 2,691	\$ 61,277
Management fee	1,012	2,996
Interest expense	8,039	23,664
Depreciation	9,396	29,263
General and administrative	377	910
Other income/expense	(3,625)	(5,476)
Gain on sale	-	(59,073)
Total Joint Venture NOI at UDR's Pro-Rata Ownership Interest	\$ 17,890	\$ 53,561

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

	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014
Net income/(loss) attributable to UDR, Inc.	\$ 13,291	\$ 86,855	\$ 73,822	\$ 65,417	\$ 40,549
Property management	5,988	5,851	5,694	5,668	5,598
Other operating expenses	2,639	1,769	1,766	2,174	2,009
Real estate depreciation and amortization	90,568	90,344	88,777	91,406	89,339
Interest expense	30,232	29,673	28,800	32,792	33,087
Casualty-related (recoveries)/charges, net	541	843	996	41	-
General and administrative	15,824	13,721	12,152	11,722	11,554
Tax provision/(benefit), net (includes valuation adjustment)	(633)	(1,404)	(425)	(7,087)	(2,492)
Income/(loss) from unconsolidated entities	(2,691)	573	(59,159)	2,074	939
Interest and other income, net	(402)	(382)	(360)	44	(9,061)
Joint venture management and other fees	(3,653)	(3,098)	(12,706)	(3,445)	(3,165)
Other depreciation and amortization	1,457	1,700	1,623	2,117	1,385
(Income)/loss from discontinued operations, net of tax	-	-	-	-	(79)
(Gain)/loss on sale of real estate owned, net of tax	-	(79,042)	-	(61,267)	(31,302)
Net income/(loss) attributable to noncontrolling interests	404	3,029	2,595	2,335	1,443
Total consolidated NOI	\$ 153,565	\$ 150,432	\$ 143,575	\$ 143,991	\$ 139,804

Forward Looking Statements

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

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

About UDR, Inc.

UDR, Inc. (NYSE:[UDR](#)), an S&P 400 company, is a leading multifamily real estate investment trust with a demonstrated performance history of delivering superior and dependable returns by successfully managing, buying, selling, developing and redeveloping attractive real estate properties in targeted U.S. markets. As of September 30, 2015, UDR owned or had an ownership position in 49,323 apartment homes including 3,222 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 September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
REVENUES:				
Rental income	\$ 217,765	\$ 203,587	\$ 637,576	\$ 598,898
Joint venture management and other fees ⁽²⁾	3,653	3,165	19,457	9,599
Total revenues	<u>221,418</u>	<u>206,752</u>	<u>657,033</u>	<u>608,497</u>
OPERATING EXPENSES:				
Property operating and maintenance	39,478	39,086	113,922	112,646
Real estate taxes and insurance	24,722	24,697	76,082	73,844
Property management	5,988	5,598	17,533	16,470
Other operating expenses	2,639	2,009	6,174	6,097
Real estate depreciation and amortization	90,568	89,339	269,689	266,748
Acquisition costs	410	164	693	266
General and administrative	15,414	11,390	41,004	35,812
Casualty-related (recoveries)/charges, net	541	-	2,380	500
Other depreciation and amortization	1,457	1,385	4,780	3,658
Total operating expenses	<u>181,217</u>	<u>173,668</u>	<u>532,257</u>	<u>516,041</u>
Operating income	40,201	33,084	124,776	92,456
Income/(loss) from unconsolidated entities ⁽²⁾	2,691	(939)	61,277	(4,932)
Interest expense	(30,232)	(33,087)	(88,705)	(97,470)
Other debt (charges)/benefits, net	-	-	-	(192)
Total interest expense	<u>(30,232)</u>	<u>(33,087)</u>	<u>(88,705)</u>	<u>(97,662)</u>
Interest income and other income/(expense), net	402	9,061	1,144	11,902
Income/(loss) before income taxes, discontinued operations and gain/(loss) on sale of real estate	13,062	8,119	98,492	1,764
Tax benefit/(provision), net	633	2,492	2,462	8,011
Income/(loss) from continuing operations	13,695	10,611	100,954	9,775
Income/(loss) from discontinued operations, net of tax	-	79	-	10
Income/(loss) before gain/(loss) on sale of real estate owned	13,695	10,690	100,954	9,785
Gain/(loss) on sale of real estate owned, net of tax	-	31,302	79,042	82,305
Net income/(loss)	13,695	41,992	179,996	92,090
Net (income)/loss attributable to redeemable noncontrolling interests in the OP	(405)	(1,447)	(6,022)	(3,171)
Net (income)/loss attributable to noncontrolling interests	1	4	(6)	(2)
Net income/(loss) attributable to UDR, Inc.	13,291	40,549	173,968	88,917
Distributions to preferred stockholders - Series E (Convertible)	(930)	(931)	(2,792)	(2,793)
Net income/(loss) attributable to common stockholders	\$ 12,361	\$ 39,618	\$ 171,176	\$ 86,124
Income/(loss) per weighted average common share - basic:				
Income/(loss) from continuing operations attributable to common stockholders	\$0.05	\$0.16	\$0.66	\$0.34
Income/(loss) from discontinued operations attributable to common stockholders	\$0.00	\$0.00	\$0.00	\$0.00
Net income/(loss) attributable to common stockholders	\$0.05	\$0.16	\$0.66	\$0.34
Income/(loss) per weighted average common share - diluted:				
Income/(loss) from continuing operations attributable to common stockholders	\$0.05	\$0.16	\$0.66	\$0.34
Income/(loss) from discontinued operations attributable to common stockholders	\$0.00	\$0.00	\$0.00	\$0.00
Net income/(loss) attributable to common stockholders	\$0.05	\$0.16	\$0.66	\$0.34
Common distributions declared per share	\$0.2775	\$0.2600	\$0.8325	\$0.7800
Weighted average number of common shares outstanding - basic	259,114	251,655	257,940	250,701
Weighted average number of common shares outstanding - diluted	261,207	253,732	260,020	252,675

(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 September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income/(loss) attributable to common stockholders	\$ 12,361	\$ 39,618	\$ 171,176	\$ 86,124
Real estate depreciation and amortization, including discontinued operations	90,568	89,339	269,689	266,748
Noncontrolling interests	404	1,443	6,028	3,173
Real estate depreciation and amortization on unconsolidated joint ventures	9,396	10,398	29,263	29,926
Net (gain)/loss on the sale of unconsolidated depreciable property ⁽²⁾	-	-	(59,073)	-
Net (gain)/loss on the sale of depreciable property, excluding TRS	-	(31,377)	(79,042)	(81,260)
Funds from operations ("FFO") attributable to common stockholders and unitholders, basic	\$ 112,729	\$ 109,421	\$ 338,041	\$ 304,711
Distributions to preferred stockholders - Series E (Convertible) ⁽³⁾	930	931	2,792	2,793
FFO attributable to common stockholders and unitholders, diluted	\$ 113,659	\$ 110,352	\$ 340,833	\$ 307,504
FFO per common share and unit, basic	\$ 0.42	\$ 0.42	\$ 1.27	\$ 1.17
FFO per common share and unit, diluted	\$ 0.42	\$ 0.41	\$ 1.25	\$ 1.16
Weighted average number of common shares and OP Units outstanding - basic	268,175	260,844	267,057	259,975
Weighted average number of common shares, OP Units, and common stock equivalents outstanding - diluted	273,297	265,957	272,170	264,985
Impact of adjustments to FFO:				
Acquisition-related costs/(fees), including joint ventures ⁽⁴⁾	\$ 410	\$ 76	\$ 2,153	\$ 178
Cost/(benefit) associated with debt extinguishment and other	-	-	-	192
Texas Joint Venture promote and disposition fee income ⁽²⁾	-	-	(9,633)	-
Long-term incentive plan transition costs	791	-	2,653	-
(Gain)/loss on sale of land	-	-	-	(1,120)
Net gain on prepayment of note receivable	-	(8,411)	-	(8,411)
Casualty-related (recoveries)/charges, including joint ventures, net ⁽⁵⁾	797	-	2,636	500
	\$ 1,998	\$ (8,335)	\$ (2,191)	\$ (8,661)
FFO as Adjusted attributable to common stockholders and unitholders, diluted	\$ 115,657	\$ 102,017	\$ 338,642	\$ 298,843
FFO as Adjusted per common share and unit, diluted	\$ 0.42	\$ 0.38	\$ 1.24	\$ 1.13
Recurring capital expenditures	(13,694)	(12,280)	(31,048)	(29,977)
AFFO attributable to common stockholders and unitholders	\$ 101,963	\$ 89,737	\$ 307,594	\$ 268,866
AFFO per common share and unit, diluted	\$ 0.37	\$ 0.34	\$ 1.13	\$ 1.01

(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 in 1Q15.

(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) Nine months ended September 30, 2015 acquisition-related costs include \$1.5 million related to UDR's share of the West Coast Development joint venture's transaction expenses, which are recorded as income/(loss) from unconsolidated entities in Attachment 1.

(5) 3Q15 Casualty-related charges include \$256 thousand related to UDR's share of the 717 Olympic casualty, which is included in income/(loss) from unconsolidated entities in Attachment 1.



Attachment 3

UDR, Inc. Consolidated Balance Sheets

In thousands, except share and per share amounts	September 30, 2015	December 31, 2014
	(unaudited)	(audited)
ASSETS		
Real estate owned:		
Real estate held for investment	\$ 8,162,463	\$ 8,205,627
Less: accumulated depreciation	(2,557,490)	(2,434,772)
Real estate held for investment, net	5,604,973	5,770,855
Real estate under development		
(net of accumulated depreciation of \$0 and \$0)	104,080	177,632
Real estate held for disposition		
(net of accumulated depreciation of \$90,014 and \$0)	116,420	-
Total real estate owned, net of accumulated depreciation	5,825,473	5,948,487
Cash and cash equivalents	1,321	15,224
Restricted cash	23,722	22,340
Deferred financing costs, net	20,206	22,686
Notes receivable, net	15,494	14,369
Investment in and advances to unconsolidated joint ventures, net	921,925	718,226
Other assets	114,589	105,202
Total assets	\$ 6,922,730	\$ 6,846,534
LIABILITIES AND EQUITY		
Liabilities:		
Secured debt	\$ 1,346,992	\$ 1,361,529
Unsecured debt	2,166,242	2,221,576
Real estate taxes payable	32,326	15,978
Accrued interest payable	23,577	34,215
Security deposits and prepaid rent	33,879	34,064
Distributions payable	75,937	69,460
Accounts payable, accrued expenses, and other liabilities	56,401	91,282
Total liabilities	3,735,354	3,828,104
Redeemable noncontrolling interests in the OP	312,158	282,480
Equity:		
Preferred stock, no par value; 50,000,000 shares authorized		
2,796,903 shares of 8.00% Series E Cumulative Convertible issued		
and outstanding (2,803,812 shares at December 31, 2014)	46,457	46,571
Common stock, \$0.01 par value; 350,000,000 shares authorized		
262,015,237 shares issued and outstanding (255,114,603 shares at December 31, 2014)	2,620	2,551
Additional paid-in capital	4,449,555	4,223,747
Distributions in excess of net income	(1,610,086)	(1,528,917)
Accumulated other comprehensive income/(loss), net	(14,187)	(8,855)
Total stockholders' equity	2,874,359	2,735,097
Noncontrolling interests	859	853
Total equity	2,875,218	2,735,950
Total liabilities and equity	\$ 6,922,730	\$ 6,846,534



Attachment 4(C)

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

	Quarter Ended September 30, 2015
Coverage Ratios	
Net income/(loss) attributable to UDR, Inc.	\$ 13,291
Adjustments (includes continuing and discontinued operations):	
Interest expense	30,232
Real estate depreciation and amortization	90,568
Real estate depreciation and amortization on unconsolidated joint ventures	9,396
Other depreciation and amortization	1,457
Noncontrolling interests	404
Income tax expense/(benefit)	(633)
EBITDA	<u>\$ 144,715</u>
Long-term incentive plan transition costs	791
Acquisition-related costs/(fees), including joint ventures	410
Casualty-related (recoveries)/charges, including joint ventures, net	797
EBITDA - adjusted for non-recurring items	<u>\$ 146,713</u>
Annualized EBITDA - adjusted for non-recurring items	<u>\$ 586,852</u>
Interest expense	\$ 30,232
Capitalized interest expense	3,572
Total interest	\$ 33,804
Preferred dividends	\$ 930
Total debt	\$ 3,513,234
Cash	1,321
Net debt	<u>\$ 3,511,913</u>
Interest Coverage Ratio	<u>4.28x</u>
Fixed Charge Coverage Ratio	<u>4.17x</u>
Interest Coverage Ratio - adjusted for non-recurring items	<u>4.34x</u>
Fixed Charge Coverage Ratio - adjusted for non-recurring items	<u>4.22x</u>
Net Debt-to-EBITDA - adjusted for non-recurring items	<u>6.0x</u>

Debt Covenant Overview

Unsecured Line of Credit Covenants ⁽²⁾	Required	Actual	Compliance
Maximum Leverage Ratio	≤60.0%	36.3%	Yes
Minimum Fixed Charge Coverage Ratio	≥1.5	3.4	Yes
Maximum Secured Debt Ratio	≤40.0%	18.1%	Yes
Minimum Unencumbered Pool Leverage Ratio	≥150.0%	345.3%	Yes

Senior Unsecured Note Covenants ⁽³⁾	Required	Actual	Compliance
Debt as a percentage of Total Assets	≤60.0%	36.8%	Yes
Consolidated Income Available for Debt Service to Annual Service Charge	≥1.5	3.9	Yes
Secured Debt as a percentage of Total Assets	≤40.0%	14.1%	Yes
Total Unencumbered Assets to Unsecured Debt	≥150.0%	292.6%	Yes

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

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

(2) As defined in our credit agreement dated October 25, 2011 as amended June 6, 2013.

(3) As defined in our indenture dated November 1, 1995 as amended, supplemented or modified from time to time.



Attachment 16(D)

UDR, Inc. Definitions and Reconciliations September 30, 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 fourth quarter of 2015 to forecasted FFO, FFO as Adjusted and AFFO per share and unit:

	Full Year 2015	
	Low	High
Forecasted earnings per diluted share	\$ 0.79	\$ 0.81
Conversion from GAAP share count	(0.08)	(0.08)
Net (gain)/loss on the sale of depreciable property, excluding TRS	(0.50)	(0.50)
Depreciation	1.45	1.45
Noncontrolling Interests	(0.02)	(0.02)
Preferred Dividends	0.01	0.01
Forecasted FFO per diluted share and unit	\$ 1.65	\$ 1.67
Disposition-related FFO	(0.03)	(0.03)
Long-term incentive plan transition costs	0.01	0.01
Acquisition-related and other costs	0.01	0.01
Casualty-related (recoveries)/charges	0.01	0.01
Forecasted FFO as Adjusted per diluted share and unit	\$ 1.65	\$ 1.67
Recurring capital expenditures	(0.16)	(0.16)
Forecasted AFFO per diluted share and unit	\$ 1.49	\$ 1.51

	4Q 2015	
	Low	High
Forecasted earnings per diluted share	\$ 0.06	\$ 0.08
Conversion from GAAP share count	(0.02)	(0.02)
Depreciation	0.36	0.36
Forecasted FFO per diluted share and unit	\$ 0.40	\$ 0.42
Disposition-related FFO	-	-
Long-term incentive plan transition costs	-	-
Acquisition-related and other costs	-	-
Casualty-related (recoveries)/charges	0.01	0.01
Forecasted FFO as Adjusted per diluted share and unit	\$ 0.41	\$ 0.43
Recurring capital expenditures	(0.05)	(0.05)
Forecasted AFFO per diluted share and unit	\$ 0.36	\$ 0.38