UDR

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Press Release

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Contact: Trent Trujillo
Phone: 720.283.6135

UDR ANNOUNCES FIRST QUARTER 2020 RESULTS AND WITHDRAWS FULL-YEAR 2020 GUIDANCE

UDR, Inc. (the "Company") First Quarter 2020 Highlights:

- Net income per share was $0.01, Funds from Operations ("FFO") per share was $0.53, FFO as Adjusted ("FFOA") per share was $0.54, and Adjusted FFO ("AFFO") per share was $0.51.
- Net income attributable to common stockholders was $4.2 million as compared to $23.5 million in the prior year period. The decrease was primarily due to increased depreciation from communities acquired during 2019 and 2020, partially offset by net operating income ("NOI") growth.
- The Company introduced Combined Same-Store metrics, which include the impact of the 11 Joint Venture communities that were acquired in 2019 totaling 3,619 homes as if they were 100 percent owned by UDR during all periods presented.
- Year-over-year ("YOY") Combined Same-Store revenue, expense and NOI growth was 3.0 percent, 1.7 percent and 3.5 percent, respectively.
- The Company continues to implement its Next Generation Operating Platform, which drove Combined Same-Store controllable operating margin expansion of approximately 60 basis points YOY to 84.7 percent, and reduced Combined Same-Store controllable expenses by 1.1 percent YOY.
- The Company's Combined Same-Store operating margin (property NOI divided by property rental income) was 71.2 percent as compared to 70.8 percent in the prior year period.
- As previously announced, the Company:
  - Entered into forward sales agreements under the Company's at-the-market equity program for approximately 2.1 million common shares at a weighted average initial forward price per share of $49.56, subject to adjustments.
  - Acquired The Slade at Channelside, a 294-home community in Tampa, FL, for $85.2 million and The Arbory, a 276-home Developer Capital Program community in suburban Portland, OR, pursuant to its option, for a cash outlay of $53.9 million.
  - Committed to providing $20.1 million to a 142-home Developer Capital Program community in Thousand Oaks, CA. As of March 31, 2020, the Company had funded $6.0 million, including its preferred return, or 30 percent, of the committed amount.

Subsequent to Quarter-End Highlights:

- The Company is providing a summary of April operations, which can be found on page 3 of this Press Release. Highlights include: (1) 98.0 percent of residents paid at least a portion of monthly rent, (2) cash collections of 95.5 percent, and (3) weighted average occupancy of 96.6 percent.
- The Company sold Waterscape, a 196-home community located in Greater Seattle, WA, for gross proceeds of $92.9 million.
- The Company is under contract, with a nonrefundable deposit, to sell Borgata Apartment Homes, a 71-home community located in Greater Seattle, WA, for $49.7 million.

As a result of uncertainties due to the ongoing Novel Coronavirus (COVID-19) pandemic, the Company has withdrawn its previously provided full-year 2020 guidance outlook.

"While first quarter 2020 results met expectations, it is difficult to forecast the ultimate impact the COVID-19 pandemic will have on our business, our country, and the economy. I am proud of how the Company, our associates, and our residents have risen to the challenges put to them as we continue to work together to overcome this still evolving situation," said Tom Toomey, UDR's Chairman and CEO. "UDR is in a strong position to manage these challenges going forward due to our experienced team, healthy liquidity profile and balance sheet, as well as our innovative Next Generation Operating Platform, which allows us to electronically interact with, and provide service to, residents and prospects throughout our diversified portfolio."

	Q1 2020	Q1 2019
Net income per common share, diluted	**$0.01**	**$0.08**
Conversion from GAAP share count	(0.001)	(0.008)
Depreciation and amortization, including JVs	0.513	0.420
Noncontrolling interests and preferred dividends	0.004	0.010
FFO per common share and unit, diluted	**$0.53**	**$0.51**
Promoted interest on settlement of note receivable, net of tax	-	(0.021)
Legal and other costs	0.002	0.012
Unrealized (gain)/loss on unconsolidated investments, net of tax	0.000	(0.001)
Severance costs and other restructuring expense	0.005	-
Casualty-related charges/(recoveries), including JVs, net	0.004	0.001
FFOA per common share and unit, diluted	**$0.54**	**$0.50**
Recurring capital expenditures	(0.029)	(0.024)
AFFO per common share and unit, diluted	**$0.51**	**$0.47**

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 first quarter Supplemental Financial Information.

Operations

In the first quarter, total revenue increased by $50.8 million year-over-year, or 18.8 percent, to $321.5 million. This increase was primarily attributable to growth in revenue from operating and acquisition communities.

In the first quarter, the Company,

- Introduced Combined Same-Store metrics which include the impact of the 11 Joint Venture communities totaling 3,619 homes that were acquired in 2019; and,
- Introduced Other Markets as a category for its operating reporting structure, as management believes operating results in markets where the Company operates less than 1,000 Combined Same-Store homes are not representative of fundamentals for those markets as a whole. As such, Other Markets includes six markets that the Company operates in that do not have at least 1,000 Combined Same-Store homes.

First quarter Combined Same-Store NOI increased 3.5 percent year-over-year, driven by Combined Same-Store revenue growth of 3.0 percent and Combined Same-Store expense growth of 1.7 percent. Weighted average Combined Same-Store physical occupancy increased by 30 basis points to 97.0 percent versus the prior year period. The first quarter annualized rate of turnover decreased by 30 basis points to 38.2 percent versus the prior year period.

Summary of Combined Same-Store Results First Quarter 2020 versus First Quarter 2019

Region	Revenue Growth	Expense Growth/ (Decline)	NOI Growth	% of Combined Same-Store Portfolio[1]	Occupancy[2]	Number of Homes[3]
West	3.5%	3.4%	3.5%	39.3%	97.0%	12,545
Mid-Atlantic	2.4%	0.5%	3.2%	23.8%	97.3%	10,762
Northeast	2.6%	6.0%	1.0%	14.0%	96.8%	3,892
Southeast	2.6%	1.9%	2.9%	10.8%	96.8%	7,047
Southwest	3.9%	(5.1)%	10.4%	7.3%	97.1%	5,136
Other Markets	2.3%	(0.3)%	3.3%	4.8%	96.2%	2,147
Total	**3.0%**	**1.7%**	**3.5%**	**100.0%**	**97.0%**	**41,529**

(1) Based on Q1 2020 Combined Same-Store NOI.

(2) Weighted average Combined Same-Store occupancy for the quarter.

(3) During the first quarter, 41,529 apartment homes were classified as Combined Same-Store. The Company defines QTD Combined Same-Store Communities as those communities stabilized for five full consecutive quarters, including the 11 Joint Venture communities acquired in 2019 totaling 3,619 homes as if they were 100 percent owned by UDR during all periods presented. Combined Same-Store 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 first quarter, sequential Combined Same-Store NOI was slightly positive, driven by Combined Same-Store revenue growth of 0.9 percent and Combined Same-Store expense growth of 3.1 percent. Weighted average Combined Same-Store physical occupancy increased by 20 basis points sequentially to 97.0 percent.

April Operational Trends

Due to economic challenges and related government actions and regulations as a result of COVID-19, the Company is providing a selection of subsequent operational trends through April 2020.

Summary of First Quarter and April 2020 Operational Trends versus April 2019

Multifamily Operating Metric	Q1 2020	April 2020[1]	April 2019
Cash rents received (as % of billed rent)	**99.6%**	**95.5%**	**99.6%**
Residents who paid at least a portion of monthly rent (% of units)	**99.8%**	**98.0%**	**99.8%**
Residents who paid monthly rent in full (% of units)	99.5%	95.3%	99.5%
Residents who paid a portion of monthly rent (% of units)	0.3%	2.7%	0.3%
Residents who have not paid at least a portion of monthly rent (% of units)	0.2%	2.0%	0.2%
Leasing Traffic[2]	835	782	966
Applications[3]	6,816	2,148	2,531
Lease Closing Ratio[4]	28.2%	54.4%	31.0%
Annualized Turnover	38.2%	40.0%	47.2%
Weighted Average Occupancy	97.0%	96.6%	96.8%
Effective Blended Lease Rate Growth[5]	2.8%	2.0%	4.3%

(1) April 2020 collections data as of May 4, 2020.

(2) The Company defines Leasing Traffic as average daily leads.

(3) The Company defines Applications as the total (or gross) number of applications received.

(4) The Company defines Lease Closing Ratio as leases signed as a percentage of visits.

(5) The Company defines Effective Blended Lease Rate Growth as the combined proportional growth as a result of Effective New Lease Rate Growth (the increase in gross potential rent realized less concessions for the new lease term, or current effective rent, versus prior resident effective rent for the prior lease term on new leases commenced during the current quarter) and Effective Renewal Lease Rate Growth (the increase in gross potential rent realized less concessions for the new lease term, or current effective rent, versus prior effective rent for the prior lease term on renewed leases commenced during the current quarter).

“I am pleased to report that 98 percent of our residents paid all or part of April rent, and that operating trends, including traffic patterns and applications submitted, have improved meaningfully over the past several weeks,” said Jerry Davis, UDR’s President and Chief Operating Officer. “We continue to work with each of our residents that were negatively impacted by COVID-19, which has helped to reduce turnover, improve our retention rates and maintain strong occupancy of 96.6 percent.”

Retail tenant income accounts for less than 2 percent of the Company’s consolidated NOI. In April, the Company collected 63 percent of total billed retail rent. The Company has arranged, or is in discussions on arranging, rent accommodations with tenants that amount to an additional 34 percent of monthly billed retail rent. Delinquencies amount to 3 percent of total retail rent due in April.

Wholly Owned Transactional Activity

As previously announced, during the quarter the Company:

- Acquired The Slade at Channelside, a 294-home community in Tampa, FL, for $85.2 million or $290,000 per home. At the time of the acquisition, the 11 year-old community had average monthly revenue per occupied home of $1,898 and occupancy of 92 percent.

Subsequent to quarter-end, the Company:

- Sold Waterscape, a 196-home community located in Greater Seattle, WA, for gross proceeds of $92.9 million, or $474,000 per home. At the time of sale, the 6 year-old community had an average monthly revenue per occupied home of $2,476 and occupancy of 97 percent.
- Is under contract, with a nonrefundable deposit, to sell Borgata Apartment Homes, a 71-home community located in Greater Seattle, WA, for $49.7 million, or $700,000 per home. During the quarter, the 19 year-old community had a weighted average monthly revenue per occupied home of $3,301 and occupancy of 97 percent.

Development Activity

At the end of the first quarter, the Company’s development pipeline totaled $278.5 million and was 34 percent funded. The Company’s active pipeline includes 3 development communities, 1 each in Addison, TX, Denver, CO, and Dublin, CA, for a combined total of 878 homes. 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.

Developer Capital Program (“DCP”) Activity

At the end of the first quarter, the Company’s DCP investments, including accrued return, totaled $409.1 million. As previously announced, during the quarter the Company:

- Committed to providing $20.1 million of capital to a 142-home multifamily development located in Thousand Oaks, CA. The investment yields 9.0 percent on the Company’s capital outstanding with a profit participation upon sale of the community. As of March 31, 2020, the Company had funded $6.0 million, including its preferred return, or 30 percent, of the committed amount.
- Closed on the acquisition of The Arbory pursuant to its option, acquiring the approximately 51 percent interest it did not own from its West Coast Development Joint Venture. The Arbory is a 276-home community completed in 2018 in suburban Portland, OR. The cash outlay for the acquisition totaled $53.9 million, including the payoff of debt, and the Company’s blended all-in investment in the community was $72.3 million. At the time of acquisition, average monthly revenue per occupied home was $1,545 and occupancy was 94 percent.

Capital Markets and Balance Sheet Activity

As previously announced, during the first quarter the Company:

- Entered into forward sales agreements under the Company's at-the-market equity program for approximately 2.1 million common shares at a weighted average initial forward price per share of $49.56, which will be adjusted at settlement to reflect the then-current federal funds rate and the amount of dividends paid to holders of UDR common stock over the term of the forward sales agreements. No shares under the forward sales agreements have been settled. The final dates by which shares sold under the forward sales agreements must be settled range between February 12, 2021, and March 3, 2021.
- Issued $200.0 million of unsecured debt at an effective interest rate of 2.53 percent with 9.9 years to maturity.

At April 30, 2020, the Company had $399.8 million outstanding under its revolving credit facility, leaving approximately $775.2 million of liquidity through a combination of cash and undrawn capacity on its credit facilities. For the remainder of 2020, the Company has only $204.0 to $269.0 million in identified potential forward capital uses, excluding scheduled debt maturities and principal amortization of $119.0 million. This is set against $195.0 million of capital sources from the completed sale of Waterscape and the potential settlement of previously announced forward equity sales agreements. The Company expects to fund any remaining capital uses with a combination of previously announced dispositions that are currently under contract, potential new debt issuances, and future AFFO in excess of dividend distributions. Please see Attachment 15 of the Company's first quarter Supplemental Financial Information for additional details.

The Company's total indebtedness as of March 31, 2020 was $4.9 billion, with maturities through 2022 totaling approximately $106.0 million (or approximately 2 percent of total consolidated debt outstanding), excluding principal amortization and amounts on the Company's working capital credit facility. The Company ended the quarter with fixed-rate debt representing 92.8 percent of its total debt, a total blended interest rate of 3.28 percent and a weighted average years to maturity of 7.1 years. The Company's consolidated leverage was 35.0 percent versus 34.2 percent a year ago, its consolidated net-debt-to-EBITDAre was 6.0x versus 6.1x a year ago and its consolidated fixed charge coverage ratio was 4.8x versus 4.9x a year ago.

Senior Management

Effective April 1, 2020, Warren L. Troupe transitioned from the role of Senior Executive Vice President to Senior Advisor to the Office of the Chairman. In conjunction with the transition, Mr. Troupe has agreed to a consulting agreement with the Company running through December 2022 and renews annually thereafter unless terminated by either party. In this role, Mr. Troupe will continue to assist with the Company's transactional, risk management, legal and capital markets activities, as well as provide expertise pertaining to special projects for the Chairman.

Dividend

As previously announced, the Company's Board of Directors declared a regular quarterly dividend on its common stock for the first quarter of 2020 in the amount of $0.3600 per share. The dividend was paid in cash on April 30, 2020 to UDR common stock shareholders of record as of April 10, 2020. The first quarter 2020 dividend represented the 190th consecutive quarterly dividend paid by the Company on its common stock.

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 3:00 p.m. Eastern Time on May 7, 2020 to discuss first quarter results as well as high-level views for 2020.

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.

This quarter, given the combination of a high volume of conference calls occurring during this time of year generally and the impact that the COVID-19 pandemic has had on staffing and capacity at our conference call provider, we anticipate potential delays if you dial in to be connected to the live call. As a result, we encourage stockholders and interested parties to join us for the Company's earnings results discussion via the webcast link. If you choose to dial in to the live call, please allow extra time to be connected to the call.

A replay of the conference call will be available through June 7, 2020, by dialing 844-512-2921 for domestic and 412-317-6671 for international and entering the confirmation number, 13701957, when prompted for the passcode.

A replay of the call will also 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(A)

UDR, Inc.
Definitions and Reconciliations
March 31, 2020
(Unaudited)

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.

Acquired JV Same-Store Portfolio Communities: Represents the Acquired JV Same-Store Portfolio Communities as if these communities were 100% owned by UDR since January 1, 2019. These communities were Stabilized for five full consecutive quarters and had stabilized 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. Because these communities became wholly owned by UDR in 2019 (the 11 communities and 3,619 homes were previously owned by UDR unconsolidated JVs), they are not included in the UDR Same-Store Communities. See UDR Same-Store Communities for more information regarding inclusion. These communities have been identified in certain tables to provide Combined Same-Store results as if these communities were 100% owned by UDR in prior periods. These 11 communities will be eligible to join the UDR Same-Store Communities on January 1, 2021.

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 on consolidated communities 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/(loss) 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/(loss) (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/(loss) attributable to common stockholders to AFFO is provided on Attachment 2.

Consolidated Fixed Charge Coverage Ratio - adjusted for non-recurring items: The Company defines Consolidated Fixed Charge Coverage Ratio - adjusted for non-recurring items as Consolidated Interest Coverage Ratio - adjusted for non-recurring items divided by total consolidated interest, excluding the impact of costs associated with debt extinguishment, plus preferred dividends.

Management considers Consolidated Fixed Charge Coverage Ratio - adjusted for non-recurring items 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 consolidated debt obligations as well as compare leverage against that of its peer REITs. A reconciliation of the components that comprise Consolidated Fixed Charge Coverage Ratio - adjusted for non-recurring items is provided on Attachment 4(C) of the Company's quarterly supplemental disclosure.

Consolidated Interest Coverage Ratio - adjusted for non-recurring items: The Company defines Consolidated Interest Coverage Ratio - adjusted for non-recurring items as Consolidated EBITDAre – adjusted for non-recurring items divided by total consolidated interest, excluding the impact of costs associated with debt extinguishment.

Management considers Consolidated Interest Coverage Ratio - adjusted for non-recurring items 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 consolidated debt obligations as well as compare leverage against that of its peer REITs. A reconciliation of the components that comprise Consolidated Interest Coverage Ratio - adjusted for non-recurring items is provided on Attachment 4(C) of the Company's quarterly supplemental disclosure.

Consolidated Net Debt-to-EBITDAre - adjusted for non-recurring items: The Company defines Consolidated Net Debt-to-EBITDAre - adjusted for non-recurring items as total consolidated debt net of cash and cash equivalents divided by annualized Consolidated EBITDAre - adjusted for non-recurring items. Consolidated EBITDAre - adjusted for non-recurring items is defined as EBITDAre excluding the impact of income/(loss) from unconsolidated entities, adjustments to reflect the Company's share of EBITDAre of unconsolidated joint ventures and other non-recurring items including, but not limited to casualty-related charges/(recoveries), net of wholly owned communities.

Management considers Consolidated Net Debt-to-EBITDAre - adjusted for non-recurring items 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 consolidated debt obligations as well as compare leverage against that of its peer REITs. A reconciliation between net income/(loss) and Consolidated EBITDAre - adjusted for non-recurring items is provided on Attachment 4(C) of the Company's quarterly supplemental disclosure.

Controllable Expenses: The Company refers to property operating and maintenance expenses as Controllable Expenses.

Controllable Operating Margin: The Company defines Controllable Operating Margin as (i) rental income less Controllable Expenses (ii) divided by rental income. Management considers Controllable Operating Margin a useful metric as it provides investors with an indicator of the Company's ability to limit the growth of expenses that are within the control of the Company.

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.

Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate (EBITDAre): The Company defines EBITDAre as net income/(loss) (computed in accordance GAAP), plus interest expense, including costs associated with debt extinguishment, plus real estate depreciation and amortization, plus other depreciation and amortization, plus (minus) income tax provision/(benefit), net, (minus) plus net gain/(loss) on the sale of depreciable real estate owned, plus impairment write-downs of depreciable real estate, plus the adjustments to reflect the Company's share of EBITDAre of unconsolidated joint ventures. The Company computes EBITDAre in accordance with standards established by the National Association of Real Estate Investment Trusts, or Nareit, which may not be comparable to EBITDAre reported by other REITs that do not compute EBITDAre in accordance with the Nareit definition, or that interpret the Nareit definition differently than the Company does. The White Paper on EBITDAre was approved by the Board of Governors of Nareit in September 2017.

Management considers EBITDAre a useful metric for investors as it provides an additional indicator of the Company's ability to incur and service debt, and will enable investors to assess our performance against that of its peer REITs. EBITDAre 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. EBITDAre 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 between net income/(loss) and EBITDAre is provided on Attachment 4(C) of the Company's quarterly supplemental disclosure.

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

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

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 it does not represent the date of stabilization.

Attachment 16(B)

UDR, Inc.
Definitions and Reconciliations
March 31, 2020
(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 other non-comparable items including, but not limited to, acquisition-related costs, prepayment costs/benefits associated with early debt retirement, impairment write-downs or gains and losses on sales of real estate or other assets incidental to the main business of the Company and income taxes directly associated with those gains and losses, casualty-related expenses and recoveries, severance costs and legal and other 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 related to the main business of the Company or of investments in non-consolidated investees that are directly attributable to decreases in the fair value of depreciable real estate held by the investee, gains and losses from sales of depreciable real estate related to the main business of the Company and income taxes directly associated with those gains and losses, plus real estate depreciation and amortization, and after adjustments for noncontrolling interests, and the Company's share of unconsolidated partnerships and joint ventures. This definition conforms with the National Association of Real Estate Investment Trust's definition issued in April 2002 and restated in November 2018. 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	1Q 2020
Income/(loss) from unconsolidated entities	$ 3,367
Management fee	600
Interest expense	5,067
Depreciation	8,816
General and administrative	66
West Coast Development JV Preferred Return	(77)
Developer Capital Program (excludes Alameda Point Block 11 and Brio)	(5,996)
Other (income)/expense	160
Unrealized (gain)/loss on unconsolidated investments	44
Total Joint Venture NOI at UDR's Ownership Interest	$ 12,047

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 2.875% 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/(loss) attributable to UDR, Inc. to NOI is provided below.

In thousands	1Q 2020	4Q 2019	3Q 2019	2Q 2019	1Q 2019
Net income/(loss) attributable to UDR, Inc.	$ 5,221	$ 97,959	$ 27,204	$ 35,619	$ 24,503
Property management	9,203	8,703	8,309	8,006	7,703
Other operating expenses	4,966	2,800	2,751	2,735	5,646
Real estate depreciation and amortization	155,476	143,464	127,391	117,934	112,468
Interest expense	39,317	60,435	42,523	34,417	33,542
Casualty-related charges/(recoveries), net	1,251	1,316	(1,088)	246	-
General and administrative	14,978	14,531	12,197	12,338	12,467
Tax provision/(benefit), net	164	2	1,499	125	2,212
(Income)/loss from unconsolidated entities	(3,367)	(118,486)	(12,713)	(6,625)	(49)
Interest income and other (income)/expense, net	(2,700)	(2,406)	(1,875)	(1,310)	(9,813)
Joint venture management and other fees	(1,388)	(2,073)	(6,386)	(2,845)	(2,751)
Other depreciation and amortization	2,025	1,713	1,619	1,678	1,656
(Gain)/loss on sale of real estate owned	-	-	-	(5,282)	-
Net income/(loss) attributable to noncontrolling interests	319	7,278	2,218	2,699	2,099
Total consolidated NOI	$ 225,465	$ 215,236	$ 203,649	$ 199,735	$ 189,683

Attachment 16(C)

UDR, Inc.
Definitions and Reconciliations
March 31, 2020
(Unaudited)

NOI Enhancing Capital Expenditures ("Cap Ex"): The Company defines NOI Enhancing Capital Expenditures as expenditures that result in increased income generation or decreased expense growth over time.

Management considers NOI 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 or to decrease expenses.

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.

Other Markets: The Company defines Other Markets as the accumulation of individual markets where it operates less than 1,000 Combined Same-Store homes. Management considers Other Markets a useful metric as the operating results for the individual markets are not representative of the fundamentals for those markets as a whole.

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

QTD Combined Same-Store Communities: QTD Combined Same-Store Communities represent the QTD UDR Same-Store Communities and the Acquired JV Same-Store Portfolio Communities as a single portfolio, as if the Acquired JV Same-Store Portfolio Communities were 100% owned by UDR during all periods presented.

QTD UDR Same-Store Communities: The Company defines QTD UDR Same-Store Communities as those communities Stabilized for five full consecutive quarters. These communities were owned and had stabilized 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.

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 definition of Stabilization Period for Redevelopment Yield, less Recurring Capital Expenditures, minus the project's annualized NOI prior to commencing the redevelopment, less Recurring Capital Expenditures, divided by the total cost of the project.

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

Stabilization/Stabilized: The Company defines Stabilization/Stabilized 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 have reached Stabilization but are not yet in the same-store portfolio.

Stabilization Period for Development Yield: The Company defines the Stabilization Period for Development 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 Redevelopment 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: The Company calculates expected stabilized yields on development as follows: projected stabilized NOI less management fees divided by budgeted construction costs on a project-specific basis. Projected stabilized NOI for development projects, calculated in accordance with the NOI reconciliation provided on Attachment 16(B), 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 Developments 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 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 making investments and providing services that are otherwise not allowed to be made or provided by a REIT.

YTD Combined Same-Store Communities: YTD Combined Same-Store Communities represent the YTD UDR Same-Store Communities and the Acquired JV Same-Store Portfolio Communities as a single portfolio, as if the Acquired JV Same-Store Portfolio Communities were 100% owned by UDR during all periods presented.

YTD UDR Same-Store Communities: The Company defines YTD UDR Same-Store Communities as those communities Stabilized for two full consecutive calendar years. These communities were owned and had stabilized 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.

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, the impact of the COVID-19 pandemic and measures intended to prevent its spread or address its effects, 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 and rental rates, expectations concerning the joint ventures with third parties, expectations that technology 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 SEC 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 communities in targeted U.S. markets. As of March 31, 2020, UDR owned or had an ownership position in 51,587 apartment homes including 878 homes under development. For over 47 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 March 31, 2020	Three Months Ended March 31, 2019
REVENUES:		
Rental income	$ 320,093	$ 267,922
Joint venture management and other fees	1,388	2,751
Total revenues	321,481	270,673
OPERATING EXPENSES:		
Property operating and maintenance	49,483	41,939
Real estate taxes and insurance	45,145	36,300
Property management	9,203	7,703
Other operating expenses	4,966	5,646
Real estate depreciation and amortization	155,476	112,468
General and administrative	14,978	12,467
Casualty-related charges/(recoveries), net	1,251	-
Other depreciation and amortization	2,025	1,656
Total operating expenses	282,527	218,179
Operating income	38,954	52,494
Income/(loss) from unconsolidated entities	3,367	49
Interest expense	(39,317)	(33,542)
Interest income and other income/(expense), net	2,700	9,813
Income/(loss) before income taxes	5,704	28,814
Tax (provision)/benefit, net	(164)	(2,212)
Net Income/(loss)	5,540	26,602
Net (income)/loss attributable to redeemable noncontrolling interests in the OP and DownREIT Partnership	(313)	(2,057)
Net (income)/loss attributable to noncontrolling interests	(6)	(42)
Net income/(loss) attributable to UDR, Inc.	5,221	24,503
Distributions to preferred stockholders - Series E (Convertible)	(1,066)	(1,011)
Net income/(loss) attributable to common stockholders	$ 4,155	$ 23,492
Income/(loss) per weighted average common share - basic:	$0.01	$0.08
Income/(loss) per weighted average common share - diluted:	$0.01	$0.08
Common distributions declared per share	$0.3600	$0.3425
Weighted average number of common shares outstanding - basic	294,457	277,002
Weighted average number of common shares outstanding - diluted	295,160	277,557

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

Attachment 2

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

In thousands, except per share and unit amounts	Three Months Ended March 31, 2020	2019
Net income/(loss) attributable to common stockholders	$ 4,155	$ 23,492
Real estate depreciation and amortization	155,476	112,468
Noncontrolling interests	319	2,099
Real estate depreciation and amortization on unconsolidated joint ventures	8,816	15,674
Funds from operations ("FFO") attributable to common stockholders and unitholders, basic	$ 168,766	$ 153,733
Distributions to preferred stockholders - Series E (Convertible) (2)	1,066	1,011
FFO attributable to common stockholders and unitholders, diluted	$ 169,832	$ 154,744
FFO per weighted average common share and unit, basic	$ 0.53	$ 0.51
FFO per weighted average common share and unit, diluted	$ 0.53	$ 0.51
Weighted average number of common shares and OP/DownREIT Units outstanding - basic	316,685	301,282
Weighted average number of common shares, OP/DownREIT Units, and common stock equivalents outstanding - diluted	320,399	304,848
Impact of adjustments to FFO:		
Promoted interest on settlement of note receivable, net of tax	$ -	$ (6,482)
Legal and other costs	758	3,660
Unrealized (gain)/loss on unconsolidated investments, net of tax	32	(229)
Severance costs and other restructuring expense	1,642	-
Casualty-related charges/(recoveries), net	1,399	15
Casualty-related charges/(recoveries) on unconsolidated joint ventures, net	31	146
	$ 3,862	$ (2,890)
FFO as Adjusted attributable to common stockholders and unitholders, diluted	$ 173,694	$ 151,854
FFO as Adjusted per weighted average common share and unit, diluted	$ 0.54	$ 0.50
Recurring capital expenditures	(9,209)	(7,218)
AFFO attributable to common stockholders and unitholders, diluted	$ 164,485	$ 144,636
AFFO per weighted average common share and unit, diluted	$ 0.51	$ 0.47

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

(2) Series E preferred shares are dilutive for purposes of calculating FFO per share for the three months ended March 31, 2020 and March 31, 2019. 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.

Attachment 3

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

In thousands, except share and per share amounts	March 31, 2020	December 31, 2019
ASSETS		
Real estate owned:		
Real estate held for investment	$ 12,608,022	$ 12,532,324
Less: accumulated depreciation	(4,231,269)	(4,131,330)
Real estate held for investment, net	8,376,753	8,400,994
Real estate under development		
(net of accumulated depreciation of $81 and $23)	95,245	69,754
Real estate held for disposition		
(net of accumulated depreciation of $41,121 and $0)	73,529	-
Total real estate owned, net of accumulated depreciation	8,545,527	8,470,748
Cash and cash equivalents	980	8,106
Restricted cash	21,949	25,185
Notes receivable, net	151,543	153,650
Investment in and advances to unconsolidated joint ventures, net	588,395	588,262
Operating lease right-of-use assets	203,410	204,225
Other assets	179,301	186,296
Total assets	$ 9,691,105	$ 9,636,472
LIABILITIES AND EQUITY		
Liabilities:		
Secured debt	$ 1,144,201	$ 1,149,441
Unsecured debt	3,740,937	3,558,083
Operating lease liabilities	197,829	198,558
Real estate taxes payable	33,134	29,445
Accrued interest payable	31,494	45,199
Security deposits and prepaid rent	48,474	48,353
Distributions payable	115,259	109,382
Accounts payable, accrued expenses, and other liabilities	82,254	90,032
Total liabilities	5,393,582	5,228,493
Redeemable noncontrolling interests in the OP and DownREIT Partnership	819,133	1,018,665
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, 2019)	46,200	46,200
14,543,281 shares of Series F outstanding (14,691,274 shares		
at December 31, 2019)	1	1
Common stock, $0.01 par value; 350,000,000 shares authorized		
294,881,038 shares issued and outstanding (294,588,305 shares at December 31, 2019)	2,949	2,946
Additional paid-in capital	5,788,471	5,781,975
Distributions in excess of net income	(2,360,636)	(2,462,132)
Accumulated other comprehensive income/(loss), net	(12,870)	(10,448)
Total stockholders' equity	3,464,115	3,358,542
Noncontrolling interests	14,275	30,772
Total equity	3,478,390	3,389,314
Total liabilities and equity	$ 9,691,105	$ 9,636,472

(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 March 31, 2020
Net income/(loss)	$ 5,540
Adjustments:	
Interest expense, including costs associated with debt extinguishment	39,317
Real estate depreciation and amortization	155,476
Other depreciation and amortization	2,025
Tax provision/(benefit), net	164
Adjustments to reflect the Company's share of EBITDAre of unconsolidated joint ventures	13,883
EBITDAre	$ 216,405
Casualty-related charges/(recoveries), net	1,399
Casualty-related charges/(recoveries) on unconsolidated joint ventures, net	31
Legal and other costs	758
Unrealized (gain)/loss on unconsolidated investments	32
Severance costs and other restructuring expense	1,642
(Income)/loss from unconsolidated entities	(3,367)
Adjustments to reflect the Company's share of EBITDAre of unconsolidated joint ventures	(13,883)
Management fee expense on unconsolidated joint ventures	(600)
Consolidated EBITDAre - adjusted for non-recurring items	$ 202,417
Annualized consolidated EBITDAre - adjusted for non-recurring items	$ 809,668
Interest expense, including costs associated with debt extinguishment	39,317
Capitalized interest expense	#REF!
Total interest	#REF!
Preferred dividends	$ 1,066
Total debt	$ 4,885,138
Cash	(980)
Net debt	$ 4,884,158
Consolidated Interest Coverage Ratio - adjusted for non-recurring items	**#REF!**
Consolidated Fixed Charge Coverage Ratio - adjusted for non-recurring items	**#REF!**
Consolidated Net Debt-to-EBITDAre - adjusted for non-recurring items	**6.0x**

Debt Covenant Overview

Unsecured Line of Credit Covenants (2)	Required	Actual	Compliance
Maximum Leverage Ratio	≤60.0%	33.7% (2)	Yes
Minimum Fixed Charge Coverage Ratio	≥1.5x	4.2x	Yes
Maximum Secured Debt Ratio	≤40.0%	10.8%	Yes
Minimum Unencumbered Pool Leverage Ratio	≥150.0%	342.3%	Yes

Senior Unsecured Note Covenants (3)	Required	Actual	Compliance
Debt as a percentage of Total Assets	≤65.0%	35.1% (3)	Yes
Consolidated Income Available for Debt Service to Annual Service Charge	≥1.5x	5.2x	Yes
Secured Debt as a percentage of Total Assets	≤40.0%	8.2%	Yes
Total Unencumbered Assets to Unsecured Debt	≥150.0%	300.7%	Yes

Securities Ratings	Debt	Outlook	Commercial Paper
Moody's Investors Service	Baa1	Stable	P-2
S&P Global Ratings	BBB+	Stable	A-2

Asset Summary	Number of Homes	1Q 2020 NOI (1) ($000s)	% of NOI	Gross Carrying Value ($000s)	% of Total Gross Carrying Value
Unencumbered assets	39,516	$ 190,033	84.3%	$ 10,692,945	83.4%
Encumbered assets	8,063	35,432	15.7%	2,125,053	16.6%
	47,579	$ 225,465	100.0%	$ 12,817,998	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.