



Opening doors to the future®

To My Fellow Shareholders:

This shareholder letter is an honor to write and something I look forward to every year. It provides me the opportunity to reflect on UDR's (the "Company") performance over the past year and opine on how our Company is built to outperform over the long-term. I write this version now entering my 20th year serving as UDR's Chief Executive Officer, and while 2020 was certainly challenging, it was also gratifying. The successes we enjoyed, which are highlighted throughout this letter, were not accomplished by accident, but rather resulted from continual execution of our long-term strategic plan by dynamically adjusting our tactics throughout the year. In short, I am pleased with our achievements, the resiliency of our business, and the dedication and compassion shown by my fellow UDR associates. I look forward to many more successful years as our country, and industry, return to a sense of normalcy in 2021 and beyond.

Regarding 2020, primary challenges included (1) ensuring, to the best of our ability, the safety of our associates and residents, (2) accommodating the hardships our residents and associates faced because of COVID-19, and (3) navigating through widespread emergency regulatory environments that hampered our ability to conduct business. From the outset of the health emergency, our actions were dictated by the four "C"s of communication, compassion, cultivation, and capitalization. Ensuring that we maintained open lines of communication with existing residents and our associates, accommodating those that faced hardship, cultivating new prospects for our business, and executing on available growth opportunities reinforced the efficacy of our diversified business model, high-level strategy, and status as a full-cycle investment.

Strategically, we remained true to our foundational business principles which include (1) maintaining a diversified portfolio of communities, (2) proactively operating our business to maximize earnings growth, (3) nimbly allocating capital in a prudent manner, (4) consistently enhancing our balance sheet, (5) reinforcing our strong culture by investing in and implementing policies for responsible environmental, social, and governance ("ESG") corporate citizenry, and (6) adopting and utilizing new technologies. Solid execution of these principles helped us to effectively manage our risk throughout 2020, supported our commitment to accommodate those in need, and positioned the Company for success in 2021 and beyond as the economy recovers.

Over the years our Company, and industry, have operated through a multitude of challenges including the "tech wreck" and the Great Financial Crisis. While COVID-19 will not be the last obstacle we face, I am tremendously proud of how our team responded throughout the pandemic and remain excited about our prospects.

Full-year 2020 highlights include:

- Actively [supported our associates and residents during the pandemic](#) through additional paid time off for COVID-related reasons, one-time bonuses, multiple vacation time buyouts, remote/flexible working opportunities, enhanced cleaning at all UDR properties, rent repayment options for those facing hardship, and the implementation of new technologies that allowed our business interactions to go “touchless.”
- Continued to roll-out UDR’s Next Generation Operating Platform (“NextGen Platform” or the “Platform”), an innovative way to conduct business more efficiently with our residents through increased self-service via technological innovation, the centralization of certain tasks, and better utilization of data analytics to drive revenue growth, expense controls, and margin expansion. Under the supervision of Jerry Davis, Scott Wesson, and Kristen Nicholson, resident satisfaction has only improved since we first introduced the Platform in mid-2018 and better-than-peer-average full-year 2020 controllable expense growth showcased its ongoing value creation potential. In addition, resident acceptance of the Platform was proven out in the fourth quarter of 2020 when 93% of all prospective-resident property tours were either touchless or self-guided.
- Dynamically priced our portfolio throughout 2020 to combat demand volatility and maximize total revenue growth in constantly changing regulatory environments. My thanks goes out to David Lowrey (Governmental Affairs), Dave Thatcher, and Shane Summers (Legal Affairs) who produced timely regulatory updates across the markets in which we operate and helped to facilitate individualized operating strategies at the local level to accommodate our residents and maximize revenue growth. Evidence of our relative success versus peers came in the forms of better-than-average full-year 2020 blended lease rate growth (i.e., combined new and renewal lease rate growth) and less of a decline in full-year physical occupancy which never dropped below 95.5%. I thank Mike Lacy, Matt Cozad, and our leadership teams across the country for their hard work. Our best-in-class operations should continue to differentiate UDR’s same-store and earnings growth results in 2021 and beyond.
- Realized outsized growth from the roughly \$2 billion of acquisitions completed throughout 2019 and early-2020 primarily due to operational upside in excess of market growth. Generating above-market returns on investments while paying market prices is a repeatable earnings and value accretion mechanism for UDR, and our transactions team headed by Harry Alcock and Andrew Cantor deserves credit for sourcing attractive investment opportunities.
- Incrementally improved the structure, liquidity, and duration of our balance sheet by taking advantage of historically low long-term interest rates (the lowest during my lifetime) through the refinancing of higher-cost debt. UDR’s weighted average interest rate of 2.9% is the lowest among the multifamily peer group thanks to the efforts of Joe Fisher, Abe Claude, and their team.
- Generated only a modest 1.9% decline in full-year 2020 Funds from Operations as Adjusted (“FFOA”) per share versus the peer apartment average decline of 3.0%. **UDR has now generated better-than-peer-apartment-average earnings growth in 7 of the last 8 years.**

- GRESB, a leading ESG benchmarking service for real assets, named UDR an ESG [top performer among global real estate companies in 2020 with a score of 83](#). In addition, we published our second annual [Corporate Responsibility Report](#) which outlines our ESG accomplishments, long-term ESG targets, and conforms to Global Reporting Initiative (“GRI”) Standards, the Sustainability Accounting Standards Board (“SASB”) Standards, and the Task Force for Climate-related Financial Disclosure (“TCFD”) framework. The continual improvement in both our ESG actions and reporting progress towards goals would not be possible without the dedication of Matt Cozad, Nathan Johnson, and Chris Van Ens.

Altogether, and despite the challenges we faced this past year, 2020 was successful because we effectively managed pandemic-related short-term risk while also continuing to create long-term value for our stakeholders. These attributes were again exhibited by our strong, relative total shareholder return (“TSR”), wherein UDR has now outperformed the weighted average TSR of our six primary public apartment REIT peers as well as that of the National Association of Real Estate Investment Trusts (“NAREIT”) Apartment Index over the past 1-, 5-, 10-, and 20-year periods as of year-end. Perhaps the one statistic I am most proud of is UDR’s 12.2% annualized TSR over the past 20 years. Investing \$1,000 in the Company at year-end 2000 would have yielded over \$10,000 at year-end 2020 versus ~\$4,250 for the S&P 500 and ~\$6,600 for the NAREIT Apartment Index.

UDR’s Strategy

Our strategy, which emanates from our fourth long-term strategic plan originally envisioned and approved by UDR management and its Board of Directors in late-2017, again proved effective during 2020 despite the pandemic. It is built upon portfolio diversification, best-in-class operations, heeding cost of capital signals from the public market, maintaining a liquid and flexible balance sheet, and ensuring a vibrant and inclusive culture to maximize earnings, dividend, net asset value (“NAV”) per share growth, and TSR. Integrated with these priorities is a strategic initiative to adopt and utilize new technologies to improve operating efficiencies, enhance customer service, and help to influence capital allocation decisions. Together, we believe these attributes make UDR a full-cycle investment, capable of outperforming in “up” or “down” markets with a lower risk profile. Since implementing the Company’s fourth long-term strategic plan, our annualized TSR has outperformed the weighted average TSR of our six primary public apartment REIT peers by ~70 basis points. UDR’s core strategic objectives remain:

1. **Portfolio Composition:** Maintain a diversified portfolio as defined by market mix, submarket locations, and price points to appeal to wider renter and investor bases and provide more opportunities to overlay our best-in-class operations and capital allocation acumen. UDR utilizes predictive analytics and qualitative factors to influence market selection for incremental investment and divestment decisions.
2. **Operating Excellence:** Maintain a best-in-class operating platform that stresses continuous innovation (e.g., Next Generation Operating Platform) and compares favorably versus apartment REIT peers and private-market operators in same-store growth, earnings growth, and controllable margin expansion.

3. **Accretive Capital Allocation:** Heed public-market cost of capital signals (i.e., equity trading at a premium to NAV and at a strong earnings yield) and pivot to investment opportunities (e.g., development, developer capital program (“DCP”), redevelopment, acquisitions, share repurchases, etc.) that offer (1) the best risk adjusted return, (2) the highest near-term earnings per share accretion without sacrificing portfolio quality, and (3) that are accretive to NAV per share. UDR seeks to match fund investments to minimize dilution while also targeting leverage neutrality over time.
4. **Balance Sheet Strength:** Maintain a safe and flexible balance sheet fully capable of funding internal and external growth opportunities while also appropriately managing risk.
5. **Culture of Empowerment and Innovation/ESG Progress:** Continue to encourage an inclusive culture that supports Diversity, Equity, and Inclusion (“DEI”) that rewards innovation, provides empowerment, creates paths towards career advancement, and drives strong financial results. Additionally, the Company seeks to invest in and report on ESG targets, goals, and successes that improve our corporate citizenry and produce strong returns.

The tactics we utilized to execute our strategy evolved throughout 2020 depending on the opportunities and challenges presented to us and the feedback we received from our associates and residents. Tactical decisions included (1) dynamically pricing our apartments at the unit level based on daily tracking of regulatory changes, (2) actively trading rental rate growth for occupancy and vice versa to maximize revenue growth, (3) consistently communicating with current and former residents, especially in more negatively impacted urban areas, to better understand their financial situation, (4) taking advantage of opportunities we could control while managing around exogenous factors out of our control, and (5) proactively positioning UDR to take advantage of the eventual recovery via focused capital investment/divestment and balance sheet management.

What worked well for us in 2020 should continue to work well in 2021. That is: further advancing our strategic goals by listening to our associates and residents while also remaining nimble, and pivoting as necessary, to appropriately manage risk. Like many, we look forward to the return of social, economic, and business activity norms and while cycles come and go, we believe UDR has the right strategy and team to capitalize on future opportunities. As referenced earlier in this letter, our strong, relative earnings growth and TSR versus peers over multiple periods continues to validate our long-term strategy and near-term tactical execution.

Operating Overview and the Next Generation Operating Platform

2020 represented one of the most challenging operating environments encountered during my 30 years in the multifamily industry. Evolving views on how to best slow the spread of COVID and lessen its economic impact led to a complex, constantly changing patchwork of federal, state, county, municipality, and judicial regulatory restrictions on everyday life and business activities and how we could operate our communities. Unlike many apartment operators that early in the pandemic implemented a “one size fits all approach” to pricing their apartments, we employed a dynamic pricing strategy, augmented by the touchless/self-service aspects of our Next Generation Operating Platform, that drove top-line growth. Our countless discussions with our residents suggest many were not economically impacted by

COVID in a material way. For those that did suffer personal or financial hardship, we actively worked to find amenable solutions, and our plan is to continue to do so. Our residents are important to us, and our goal is to maintain these quality relationships to ensure our long-term success.

UDR's operating approach and diversified portfolio as defined by market mix, location within markets, and price point, better insulated us against the worst of the pandemic as compared to most. This was underscored by blended lease rate growth and change in physical occupancy that outperformed peer apartment REIT averages by an estimated 300 and 50 basis points, respectively, during 2020. While portfolio and accounting differences lessened the comparability of same-store and earnings results in 2020, we believe these headline numbers (i.e., blended lease rate growth and occupancy changes) should be differentiators for our future results as concessions diminish.

Last on the overall operating environment; apartments are considered an essential business. As such, our teams in the field and at the corporate office did not have the luxury of sitting on the sidelines when emergency maintenance, other customer service matters, deep cleaning of high-use areas at our communities, or welfare checks, came up. In response, we actively supported our associates during the pandemic, as outlined earlier in this letter, engaged in regular company-wide telephonic calls to explain how the business was performing and answer any questions our associates may have had, and adjusted resources to where they were most needed. To the UDR associates reading this letter, I am proud of the dedication and compassion you have exhibited throughout this crisis. Without you, our ability to successfully operate our Company and be there for our residents would not have been possible.

Moving on to our Next Generation Operating Platform. Version 1.0 of the NextGen Platform was first contemplated in 2017 as a new way of doing business in the multifamily industry. Its key advancements are the implementation of a self-service business model through technological innovation, the installation of SmartHome tech (e.g., "smart" thermostats, keyless door locks, water leak detectors, etc.) in over 41,200 UDR apartment homes (i.e., greater than 80%) as of year-end 2020, the centralization of certain on-site functions to improve efficiency and customer service, and greater usage of data analytics to drive margin expansion. The genesis of the Platform revolved around the fact that our prospects and residents already utilized self-service in nearly every aspect of their everyday lives (e.g., banking, hotels, restaurant reservations, airlines, on-line shopping, etc.), but not when they rented an apartment from or interacted with UDR. As such, moving to a self-service model meant the potential for significant efficiency gains across our portfolio. I am happy to say that we were correct. After beginning to implement the NextGen Platform in mid-2018, 2020 marked the year where we rolled out the full technology package to 4 of UDR's 21 markets. By year-end 2021, the remainder of our markets should be 100% Platform.

So, what do our stakeholders receive from this evolutionary way of conducting business? Our share- and bondholders should benefit from \$15-\$20 million in additional projected run-rate net operating income ("NOI") by year-end 2022, 50% of which was realized at year-end 2020 with another 25% projected to be realized during 2021, as well as the repeatable value creation we can generate on acquired properties versus private market operators (i.e., potential for 5-10% in additional NOI growth above market growth over the first three years of ownership, with additional upside potential thereafter). Our associates

should benefit from the potential for increased compensation and better career advancement opportunities at the same time our on-site teams have continued to shrink primarily through natural attrition (approximately 31% below that of mid-2018 as of year-end 2020). In addition, our residents should realize a higher level of satisfaction and an improved living experience at a UDR community, which is best illustrated by the 24% improvement in our net promoter scores since 2018. The Platform has been, and should continue to be, a “win-win-win” in our view.

Looking ahead, we are already working on versions 1.5 and 2.0 of the NextGen Platform. These versions are focused on increasing resident retention and shortening the time it takes to apply for and lease an apartment, among other objectives. I look forward to sharing how these endeavors drive additional value for our stakeholders in the years to come.

Capital Allocation Update

Widespread regulatory restrictions and other COVID-related thematic trends (e.g., inter- and intra-market migration, more flexible work from home schedules, widespread vaccination timing, when businesses fully reopen, etc.) have admittedly fogged our crystal ball somewhat regarding where market-level growth rates may trend in the coming years. As such, we actively study what we can and cannot control as it pertains to capital allocation. So, what do we have conviction in at this point?

First, we remain convicted in portfolio diversification as defined by market mix, location within markets, and price point. This foundational element of UDR better insulates us from market-specific downside risk but also provides more opportunities to generate value and growth for our stakeholders through our best-in-class operations and tactical capital allocation decisions. This is not to say that our ~55%/45% A-/B-quality or ~40%/60% urban/suburban allocations will not fluctuate moving forward as we invest in markets with better return potential, but rather that diversification is a cornerstone of our Company and is expected to remain that way.

Second, we believe UDR has a repeatable process to generate above-market returns on acquisitions when paying market prices. This dynamic is employed by identifying opportunities that have strong upside from improved operations through (1) better blocking and tackling, (2) the overlay of our historical operating initiatives, and (3) the implementation of the NextGen Platform (i.e., Platform-centric assets that ideally are proximate to current UDR assets), as well as renovation potential. Together, these are a recipe for earnings and value accretion irrespective of the macro environment. Our execution abilities were proven out in 2020 through the performance of our ~\$2 billion of 2019 and early-2020 acquisitions. These properties have performed in-line with original underwriting despite the challenges associated with the pandemic. More generally, we believe that we can typically increase our going in acquisition yields by 5-10% above market growth over the first three years of ownership by pulling these levers.

Third, our developer capital program (“DCP”), through which we provide capital to third-party multifamily developers in markets and on assets we would potentially like to own moving forward, remains an area of focus given (1) strong internal rates of return (“IRR”) ranging in the low-to-mid teens, and (2) the ongoing pricing disconnect in the construction financing market. To-date, we have generated a weighted average IRR of 12.6% on the five DCP investments we have acquired for \$466 million.

Last, as we consider market selection, UDR has a robust Portfolio Strategy process in place to provide guidance. Our quantitative framework, which utilizes predictive analytics to identify relative future market growth winners and losers has been more volatile since COVID began. However, it also helps us to look beyond gut feel which could lead us down the wrong path. Our bolstered qualitative framework considers what our quantitative analyses cannot, such as regulatory changes, future climate change risk, business friendliness, as well as other demand drivers that allow us to better ascertain whether our quantitative analytics are pointing us in the right direction. Both inputs should continue to influence where we buy, sell, develop, redevelop, and invest in renovation programs. We feel confident that despite the inherent COVID-related challenges we continue to face, our robust capital allocation process positively differentiates us versus peers.

Strategically, our views on capital allocation have not changed. If the public market provides us a cost of capital to grow, we have historically shown willingness to take that capital and invest in accretive growth opportunities. If not, continuing to recycle capital into accretive assets through 1031 transactions and utilizing free cash flow after dividends to fund DCP, wholly owned development, redevelopment, and other operating initiatives remains a winning formula.

Balance Sheet Update

2020 represented another busy balance sheet year as we continued to take advantage of the historically low interest rate environment by refinancing higher-cost debt and extending duration. Our balance sheet remains solidly investment grade and at year-end (1) we had nearly a billion dollars of liquidity, (2) our average interest rate was below 3% on ~\$5.0 billion of consolidated debt, (3) years to maturity averaged 8.0 years, (4) nearly 90% of our NOI was unencumbered, and (5) consolidated unsecured debt maturities through 2024 total only \$350 million, or less than 2% of enterprise value, after excluding principal amortization and amounts on our credit facilities. In addition, Standard & Poor’s and Moody’s reaffirmed our investment grade ratings during the year.

During 2020, we prepaid \$692 million of higher-cost debt with a weighted average interest rate of 4.2% and issued \$1.1 billion of lower-cost, longer-date debt with a weighted average interest rate of 2.2%. These actions should result in annualized interest expense savings of \$13.6 million moving forward, on a match funded basis.

Last, we issued our second Green bond in 2020. Our intention is to allocate proceeds to our new developments that satisfy a variety of Green requirements. Green bonds represent an ESG-friendly and more cost-effective solution to financing a portion of our development growth should we have the opportunity to utilize them again in the years ahead.

Culture Update

[UDR's culture](#) is best defined by our culture statement, which reads “UDR’s Culture is achievement based, goal oriented, forward thinking and driven by innovation and technology. These principles support an empowered, merit-based structure that rewards strong financial results and top performance while also mandating accountability. The UDR Culture fosters trust in our colleagues and work/life balance. We strive to build an inclusive work environment that encourages, supports, and celebrates the diverse voices of our Associates across the country. Our Associates are the cornerstones of our culture as they create, mold, embrace and promote it daily. Their engagement makes it possible for UDR to consistently deliver financial results that enable the Company to provide the tools our associates need to take advantage of career and compensation advancement opportunities; to provide long-term cash-flow growth and total return for our shareholders; and, to deliver superior customer service to our residents. These accomplishments are achieved in concert with UDR being a responsible steward of the environment, a socially conscious corporate citizen and a promoter of sound corporate governance.”

Outlining our culture only represents a portion of what it takes to build a successful framework of values. The balance involves ensuring our associates agree with our cultural goals as well as actively, and consistently, reinforcing what makes our culture thrive. Ongoing two-way communication among our associates is crucial to maintaining an innovative and inclusive culture, and I am grateful to Mari Akers, Carla Anthony, and their team for ensuring the voices of our associates are heard, and respected, across the Company. In this vein, we have embarked on a Company-wide DEI initiative. From past associate engagement surveys, we know that 87% of UDR’s associates believe that people from diverse backgrounds and with diverse views can succeed at the Company. With this latest initiative, we hope to better understand where, and how, we can continue to improve by canvassing our workforce with surveys and focus groups. I look forward to sharing our findings over the coming years.

Last, I am proud of the culture we have collectively developed at UDR but am also cognizant that it is not perfect and requires continual re-evaluation. There is no goal line to cross when working to improve one’s culture, but we remain committed to improving with each new opportunity.

ESG Update

ESG remains a cornerstone to how we operate our business and invest our capital, not only because our corporate citizenry is important to UDR’s stakeholders (i.e., investors, associates, residents, communities, etc.), but also because focusing on it makes solid economic and business sense. Over the past three years we have dramatically improved how we report our ESG accomplishments as well as invested a significant amount of capital into ESG-related initiatives such as the installation of solar and CoGeneration facilities, LED lighting retrofits, SmartHome technology upgrades, active participation in Demand Response Events, the installation of upgraded electrical panels, and others. I am proud these efforts were recognized in late-2020 by GRESB, [who named UDR a top ESG performer among global real estate firms](#).

During 2020, we also published our [second Corporate Responsibility Report](#) (“CRR”). In the report, we outline a variety of E, S, and G accomplishments and targets. Highlights include:

- For E, we committed to significant intermediate-term reductions in common area electricity, emissions, and water usage as well as sourcing more renewable energy and diverting more waste away from landfills. We continued to “green” our assets through solar, LED lighting, and other initiatives as we believe good corporate citizenry includes improving the sustainability of our communities and the neighborhoods in which we operate. Additionally, in conjunction with our Board, we conducted in-depth climate change risk analyses on the markets we operate in and assets we own.
- For S, training and community service hours increased during 2020 while we continued to promote greater diversity throughout our workforce. In addition, UDR provided a meaningful amount of financial assistance to our associates and residents throughout the pandemic in the forms of one-time bonuses, additional COVID-related paid time off, multiple vacation time buyouts, and accommodative payback plans. In 2021, we are expanding our “S” initiatives through a Company-wide initiative centered around DEI and look forward to sharing our findings as focus groups are completed and additional goals are identified.
- For G, we continue to engage in active dialogue with our stakeholders and make incremental improvements when applicable (e.g., move to “double trigger” equity acceleration on change in control in our 2021 Proxy). During 2020 and early 2021 we conducted ~520 virtual investor and stewardship meetings that covered a wide range of topics, and I thank Trent Trujillo for his efforts in maintaining an open dialogue between the Company and our stakeholders. We believe we have a strong governance framework that compares well across the REIT space.
- On the ESG reporting side, our 2020 CRR conformed to GRI Standards, SASB Standards, and the TCFD framework.

Moving forward, our intent is to continue to refine and improve our ESG goals and targets, while also providing comprehensive metrics to our stakeholders. I strongly encourage you to [read our latest CRR](#) which can be found in the [Corporate Responsibility](#) section of [UDR.com](#) as this letter only touches the margins of all that UDR is doing on the ESG front.

Technology Update

For years, adopting and implementing new technologies has been a UDR staple and contributed to the advancement of our strategic plan. Historically, our technology initiatives largely focused on top-line growth, but more recent investments support our shift to a self-service business model that also drives higher profitability and margin expansion through greater cost control efficiencies. The most apparent example of this comes in the form of our Next Generation Operating Platform. Through Platform initiatives, we have implemented SmartHome installations across more than 80% of our apartment homes, created resident applications and web portals to transform interaction with current and prospective residents to self-service, introduced virtual and self-guided tours, and constructed a proprietary “data hub” for efficient communication across the various technologies we utilize to generate incremental business insights.

Many of the Platform ideas have come from listening to our residents and associates. UDR's ability to harvest this feedback and foster further innovation through new technologies have, and I expect will continue to result in, superior operating results. Innovation does not stand still, and neither will the Company as we continue to deliver time-saving solutions to our associates and residents that provide better customer service and drive tangible, and material, financial results. I thank Josh Gampp for leading UDR's efforts in advancing our technology and security efforts.

Management Team Update

After 30 years at UDR, [Jerry Davis announced in late 2020 that he will continue serving as President of the Company but relinquish his role as Chief Operating Officer](#) effective January 1, 2021. In 2021, Jerry intends to focus on the continued implementation and evolution of the Company's Next Generation Operating Platform, the evaluation of new technologies and technology investments useful to the Company's business areas, and redevelopment opportunities. In conjunction with this transition, Jerry intends to retire at year-end 2021, at which time he intends to transition to a consulting role. Mike Lacy, the Company's Senior Vice President of Property Operations, will continue to oversee UDR's day-to-day operations, as he has for the past three years. All good things must end someday, but on a personal note I would like to thank Jerry for his unwavering dedication to UDR over the years. Our Company would not be what it is today without your leadership.

Board of Directors Update

UDR asked [Diane Morefield to join our Board of Directors](#) in 2020, and she gracefully accepted. Ms. Morefield most recently served as Executive Vice President and Chief Financial Officer at CyrusOne, Inc, a \$13 billion publicly traded data center REIT, and before that held executive-level positions at two publicly traded REITs that have since been taken private. Diane's extensive experience in the REIT industry will be put to good use. Her appointment brings female representation on our Board to 33% and reaffirms UDR's commitment to broadening our diversity at all levels.

Reflection and 2021 Outlook

As mentioned at the outset of this letter, I have had the honor of serving as UDR's CEO for nearly 20 years. I have never been as engaged in what we are trying to do, or as optimistic about UDR's prospects, as I am right now. My enthusiasm about our future comes in part from what we have accomplished as a company over the past two decades, and how that has manifested itself in strong, relative TSR, but more so from the ongoing innovation we continue to implement throughout UDR (e.g., the NextGen Platform) and the culture we have fostered. I firmly believe the innovative tactics we are pursuing are representative of how apartment communities will need to be operated over the next 20 years to meet evolving customer preferences.

Considering 2021, UDR is in a strong position to continue to perform well given that our strategy remains sound, our value creation mechanisms remain effective, and our team remains focused on driving current and future results. Like everyone, we look forward to widespread vaccination, the full reopening of the economies we operate in, rental assistance programs alleviating financial burdens, the eventual relaxation of emergency COVID regulatory measures, and the unbundling of younger households. While the road to full recovery may remain bumpy during 2021, I am highly confident in UDR's ability to be even better positioned soon. We operate in a recession-resistant, necessity-based industry and should be thankful for this during challenging times, like what we faced in 2020.

With that, I would like to again express my gratitude to my fellow UDR associates for their hard work, compassion, and willingness to think outside the box throughout 2020. I look forward to what the future brings.

A handwritten signature in black ink, reading "Thomas W. Toomey". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Thomas W. Toomey
Chairman and Chief Executive Officer

