



Opening doors to the future®

Dear Fellow Shareholders:

For more than 53 years, UDR has operated with a simple but powerful objective: provide superior apartment living experiences, foster a culture that enables our associates to grow and thrive, and deliver consistent, long-term value to our stakeholders. Our culture emphasizes data-driven decisions and continuous innovation, which serve as competitive advantages that consistently drive attractive results.

Operations, capital allocation, and portfolio optimization serve as UDR's pillars of value creation. UDR's portfolio is constructed to outperform over the course of a full cycle for the multifamily business while our operations and capital allocation strategies are structured to allow us to take advantage of opportunities that emerge at any point during the cycle.

Our resilient business model was on display in 2025 despite a flurry of unexpected macro events, which seems to be the new normal. The year brought elevated levels of new apartment supply, tariffs, changes to immigration policy, a government shutdown, a pause in employment growth, and a heightened focus on the evolution of artificial intelligence ("AI"). While the majority of these events appear cyclical, we view AI as an enduring and dynamic change that should have a positive impact on our business overall. To UDR, AI is an enhancer in many ways, including our continued effort to convert data into decisions that drive cash flow growth. The investment world's emphasis on AI has steered capital away from real estate, contributing to total shareholder return results that we find less than satisfactory. Nevertheless, the team remained steadfast in its quest to maximize value for shareholders over the long-term and notched many achievements in 2025 that serve as a springboard for future success. Among our accomplishments, UDR:

- Generated the second highest year-over-year FFOA per share (REIT earnings) growth among our multifamily REIT peer group.
- Paid our 213th consecutive quarterly dividend and increased the dividend for the 16th consecutive year. Since 2009, we have raised our dividend by approximately 6% on average each year.
- Advanced our approach to marrying data and collaboration to inform our actions and drive cash flow growth. This was evident in the evolution of the UDR Customer Experience, which delivers greater resident satisfaction and retention. In 2025, our resident turnover rate was 38.5%, the lowest in our operating history. Since the beginning of 2023, UDR has improved resident turnover by 820 basis points, which is twice as much as the apartment REIT peer average.
- Demonstrated our nimble approach to capital allocation by adhering to capital market signals in the effort to drive cash flow per share growth. Leveraging our collaborative and data-driven approach to capital allocation and our disciplined perspective on risk-adjusted sources and uses of capital, which we regularly publish in our heat maps, we notched numerous capital allocation accomplishments. We grew the enterprise by acquiring two apartment communities with a total of 884 homes for \$330 million, expanded our joint venture with LaSalle by approximately \$230 million, and repurchased approximately \$120 million of common shares at a sizeable discount to consensus net asset value.
- Maintained a solid BBB+ / Baa1 investment grade rating and positioned our balance sheet with the lowest cost of debt and the least amount of debt maturities through 2028 among our peer group. Operating our business with robust liquidity and strong leverage metrics support growth opportunities while mitigating risk.
- Expanded our already stellar corporate responsibility profile, as evidenced by UDR being named the Top Workplaces winner in the Real Estate industry for the second consecutive year.
- Earned the Most Honored Company designation in the 2025 Extel All-America Executive survey.

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Thanks to the dedication of our people and the strength of our culture, we are creating homes for our residents for which they are proud and want to live. To enable a focus on our residents, we equip our associates with the necessary tools to be successful. An example is the UDR Customer Experience, which enhances our residents' living experience, improves resident retention over time, and better captures the lifetime value of a UDR resident. Based on the feedback we receive from residents, we are better able to map interactions we have with each, thereby providing our onsite teams with data transparency to deliver customized actions that enhance value. This granular visibility allows us to identify, support, and champion positive outcomes while also proactively addressing situations before they escalate. This approach enhances the likelihood a resident will value their UDR living experience and stay longer.

The financial results of the UDR Customer Experience thus far have been exceptional. By actively listening to our residents and acting on their feedback, we have improved annualized resident turnover by 1,100 basis points compared to historical norms. To put this improvement into perspective, every 100-basis-point decrease in resident turnover equates to approximately \$3.5 million of increased cash flow. This means that we have realized nearly \$40 million of increased annual cash flow by keeping our residents in place longer, reducing vacant days and turnover expenses, and driving stronger pricing power weighted towards renewals.

Our operational excellence is also intertwined with our commitment to integrating scalable automated systems. We have introduced AI and machine learning tools to remove friction from both the resident journey and our enterprise management. We have been deliberate in determining where these tools are reliable and how to best deploy them. As examples, we currently utilize AI to enhance fraud screening protocols, identify payment risk, summarize resident feedback into actionable themes, and generate faster customer responses. Ultimately, these technological advancements are designed to elevate the human element of our business. By automating routine tasks and streamlining the leasing process, our systems free up our associates to focus on what truly matters: building community, delivering superior service, and expanding operating margins. As we look forward, our robust pipeline of identified value creation initiatives gives me confidence that our legacy of innovation will continue to drive outsized returns for years to come.

Our culture of innovation and effort to convert data into actions that drive cash flow growth does not stop at operations; it extends into how we deploy capital. We have built and refined a proprietary investment analytics platform that evaluates nearly 7 million institutional-quality apartment homes across dozens of markets. Through rigorous analysis of micro-market data, we have discovered a crucial insight: allocating capital to the right individual asset is twice as important as picking the right market. This intelligence empowers us to identify unique and compelling opportunities. As an example, we acquired a 406-apartment home community in Northern Virginia last year during a period of uncertainty in the Washington, D.C. metro area due to DOGE concerns and the government shutdown. This apartment community was identified as a candidate for outsized revenue growth and operating efficiencies with an adjacent UDR apartment community. Early results are promising as rent growth, occupancy, innovation income growth, and controllable expenses have all outperformed underwriting amid a seamless transition to the UDR platform.

Associates and Management Update

The greatest asset that powers value creation is our 1,426 associates and the dedication they exhibit each day. Our culture enables skill development and encourages innovation, which creates more rewarding roles, expanded responsibility, and a path for upward mobility. One critical way to ensure we grow our culture and associates is through active dialogue. Our frequent townhalls and engagement surveys reflect an industry-leading response rate and inform us that an overwhelming majority of our associates enjoy working for UDR, believe they have access to the resources needed to succeed, and are excited about the future of the Company. We are proud of the positive associate experience reflected by these responses, and the results are best evidenced by achieving an all-time Company-low associate turnover rate of 19% in 2025, which is substantially better than the industry norm of 34%; we make associates feel welcomed, valued, and proud, which empowers us all.

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In 2025, we made two notable additions to executive management. First, we welcomed Dave Bragg as our Chief Financial Officer. Dave's skillset and deep industry experience are evident in the way he leads our accounting, investor relations, investment strategy, FP&A, tax, and treasury teams. Second, we welcomed Keith Benson as our Chief Legal Officer. Keith brought a wealth of legal expertise to UDR and has been instrumental in navigating our complex legal landscape and executing a wide range of transactions.

At the beginning of 2026, we celebrated three notable promotions. First, Shezelle Krei was promoted to Senior Vice President, Human Resources. Since joining UDR in 2023, Shezelle has been instrumental in leading all aspects of people operations, aligning HR strategy with business goals, and driving culture, talent, and engagement. Second, Andrew Lavaux was promoted to Senior Vice President, Development and Construction. Andrew joined UDR in 2021 and leads development, construction, and redevelopment activities across the Company. Third, Chris Van Ens was promoted to Senior Vice President, Investment Strategy. Chris has been with UDR for over 14 years and has held various leadership roles across finance, operations, capital allocation, sustainability, and government affairs. Shezelle, Andrew, and Chris have made many contributions to UDR, and their promotions reflect a natural expansion of their leadership responsibilities.

Board Update

We continue to reshape our Board to ensure that it possesses the proper skills and perspectives to enhance our strategic initiatives. As such, Board rotation has been active over the last 12 months.

In 2025, James "Jim" Klingbeil and Clint McDonnough, two of our longer-tenured directors, departed the Board after providing years of strong governance and engagement.

Later in 2025, we welcomed Richard "Ric" Clark and Ellen Goitia to the UDR Board. Mr. Clark has over four decades of real estate investment and capital markets experience, having served Brookfield Corporation in various senior leadership roles. He is a highly accomplished real estate executive with a proven ability to raise capital, invest strategically, and oversee the management of human capital. Ms. Goitia has over three decades of expertise in accounting, finance, and corporate governance, having served KPMG in various senior leadership roles and on several boards over the course of her career.

Katherine "Katie" Cattanach and Diane Morefield will not stand for re-election to the Board. My heartfelt thanks go to both for their service as excellent stewards who helped oversee our growth as a leading real estate company.

Thoughts on 2026

We start 2026 in a position of relative strength that should continue to propel UDR's growth this year and beyond. Our optimism is rooted in several structural tailwinds that favor our portfolio, including:

1. The supply pressures that temporarily clouded the sector's outlook are rapidly waning. Year-over-year supply completions are expected to decline 35% across our markets in 2026, with further declines in 2027. This sets the stage for favorable operating fundamentals and accelerating pricing power in the coming years.
2. Our residents' financial health remains strong, with the average rent-to-income ratio below the long-term average. This suggests that our residents can comfortably accept rent increases reflective of the value and exceptional living experience at a UDR apartment community.
3. The relative affordability of apartments remains decidedly in our favor and near all-time levels of attractiveness versus homeownership due to sustained elevated home prices and mortgage rates. We expect the exceptional living experience we provide our residents, combined with this financial barrier to homeownership, will translate to residents staying in our communities longer.
4. The largest U.S. age cohorts remain in their prime renter years, providing continued support for long-term rental demand.

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The positive operating momentum we achieved in the final months of 2025 has continued into 2026, with further acceleration in lease rate growth coupled with high occupancy and outsized innovation income growth. Furthermore, we have identified opportunities to increase our cash flow by recycling capital through acquisitions and dispositions with an emphasis on forward rent growth potential, capital expenditures, and operational upside. Our nimble approach to capital allocation has also led us to continue to repurchase shares at an unusually attractive valuation relative to the underlying value of our assets.

Reflection

2025 was a highly productive year for UDR and we continue to execute on our strategic priorities, with an emphasis on data-driven decisions that drive long-term cash flow per share accretion. While the macro backdrop remains fluid, we remain confident in our abilities to navigate through a wide range of outcomes due to the enduring strength of our business model and the profound dedication of our associates across the country.

Our strategy remains deeply rooted in acting on the variables we can control, while attentively listening to associates, customers, and other stakeholders to help guide us. By leveraging our proprietary data analytics infrastructure and fostering a culture of innovation, we have the agility to not only navigate a fluid economic environment but to thrive within it, setting a powerful foundation for our operational and capital strategies moving forward.

UDR's enduring differentiation of operational excellence and disciplined capital allocation ensures we are well-positioned to capitalize on a reacceleration of market fundamentals as they occur. We have tactically structured our near-term priorities to set ourselves up for growth in 2026, and will continue to adjust as needed to maximize long-term cash flow and total shareholder returns. The consistency of our results is the direct consequence of our cycle-tested approach to leading with best-in-class operations and our unyielding focus on creating communities that our residents are proud to call home.

Thank you for your continued trust, partnership, and investment in UDR. We are excited about the future and look forward to sharing our continued success with you in 2026 and beyond.

Best,



Thomas W. Toomey
Chairman, President, and Chief Executive Officer