UDR Provides Fourth Quarter 2024 Business Update

DENVER, CO., January 6, 2025 – UDR, Inc. (the "Company") (NYSE: UDR), a leading multifamily real estate investment trust, today announced its preliminary financial results, operating results, and investment activity for the fourth quarter 2024. Full-year 2024 results and 2025 guidance will be provided on February 5, 2025, when UDR reports its earnings results for the quarter and year ended December 31, 2024.

Financial and Operating Results

Funds From Operations as Adjusted ("FFOA") per diluted share are expected to be $0.63 for the fourth quarter 2024 and $2.48 for the full-year 2024, each of which are in-line with the midpoints of the Company's previously provided guidance as described in its third quarter 2024 earnings release published on October 30, 2024.

Preliminary Same-Store ("SS") results for the fourth quarter 2024 and full-year 2024 are summarized below and are better than the midpoints of previously provided guidance.

SS Growth / (Decline)	Year-Over-Year: 4Q 2024 vs. 4Q 2023	Full-Year: 2024 vs. 2023
Revenue	2.5%	2.3%
Expense	3.4%	4.3%
Net Operating Income ("NOI")	2.1%	1.5%

SS Metric	3Q 2024, as reported	4Q 2024, preliminary
Weighted Average Physical Occupancy	96.3%	96.8%
Effective Blended Lease Rate Growth	1.8%	(0.6)%

Investment Activity

During the fourth quarter, the Company,

- Entered into agreements to sell Leonard Pointe, a 188-home apartment community in New York, for gross proceeds of $127.5 million and One William, a 185-home apartment community in New Jersey, for gross proceeds of $84.0 million. The transactions are expected to close in the first quarter of 2025, subject to typical due diligence and standard closing conditions.

- Received a $38.5 million paydown on the Company's preferred equity investment in Upton Place, a recently developed 689-home apartment community in Metropolitan Washington, D.C., in connection with the sponsor refinancing the joint venture's senior construction loan. The paydown represents approximately 55 percent of the Company's preferred equity investment in the joint venture. The Company chose to maintain its investment balance of approximately $30.0 million in Upton Place as part of a recapitalization.

- Expects to record a non-cash loan reserve of approximately $37 million, or approximately $0.10 per diluted share, related to its joint venture loan investment in 1300 Fairmount, a 478-home apartment community in Philadelphia, PA, which will be reflected in the Company's reported Net Income and Funds From Operations ("FFO"). Based on property-level fourth quarter 2024 results and the developer's projected 2025 financial forecast, the Company did not record any income from its investment in 1300 Fairmount for the fourth quarter of 2024 and expects to record approximately $8.0 million less income from this investment in 2025 as compared to 2024, which equates to an approximate negative $0.02 per diluted share impact to 2025 Net Income and FFOA.

Definitions

Effective Blended Lease Rate Growth: The Company defines Effective Blended Lease Rate Growth as the combined proportional growth as a result of Effective New Lease Rate Growth and Effective Renewal Lease Rate Growth. Management considers Effective Blended Lease Rate Growth a useful metric for investors as it assesses combined proportional market-level, new and in-place demand trends.

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.

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 flow from operating activities (determined in accordance with GAAP) as a measure of our liquidity.

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.

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

Non-GAAP financial measures and other terms, as used in this press release, are defined and further explained on Attachments 14(A) through 14(D), "Definitions and Reconciliations," of the Company's third quarter 2024 earnings Supplement.

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," "outlook," "guidance," "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, general market and economic conditions, unfavorable changes in the apartment market and economic conditions that could adversely affect occupancy levels and rental rates, the impact of inflation/deflation on rental rates and property operating expenses, the availability of capital and the stability of the capital markets, rising interest rates, 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 or at expected rent and occupancy levels, changes in job growth, home affordability and demand/supply ratio for multifamily housing, development and construction risks that may impact profitability, risks that joint ventures with third parties and Debt and Preferred Equity Program investments do not perform as expected, the failure of automation or technology to help grow 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 properties in targeted U.S. markets. As of September 30, 2024, UDR owned or had an ownership position in 60,123 apartment homes. For over 52 years, UDR has delivered long-term value to shareholders, the best standard of service to residents and the highest quality experience for associates.

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