UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________

Commission file number
1-10524

UDR, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**54-0857512**
(State or other jurisdiction of incorporation of organization)	*(I.R.S. Employer Identification No.)*

1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129
(Address of principal executive offices) (zip code)

(720) 283-6120

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01	UDR	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐
Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of UDR, Inc.'s common stock, $0.01 par value, outstanding as of October 28, 2024 was 329,960,195.

UDR, INC.

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UDR, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	September 30, 2024 (unaudited)	December 31, 2023 (audited)
ASSETS		
Real estate owned:		
Real estate held for investment	**$ 16,152,262**	$ 15,757,456
Less: accumulated depreciation	**(6,739,674)**	(6,242,686)
Real estate held for investment, net	**9,412,588**	9,514,770
Real estate under development (net of accumulated depreciation of $0 and $184, respectively)	**—**	160,220
Real estate held for disposition (net of accumulated depreciation of $0 and $24,960, respectively)	**—**	81,039
Total real estate owned, net of accumulated depreciation	**9,412,588**	9,756,029
Cash and cash equivalents	**2,285**	2,922
Restricted cash	**33,267**	31,944
Notes receivable, net	**280,006**	228,825
Investment in and advances to unconsolidated joint ventures, net	**966,227**	952,934
Operating lease right-of-use assets	**187,918**	190,619
Other assets	**197,473**	209,969
Total assets	**$ 11,079,764**	$ 11,373,242
LIABILITIES AND EQUITY		
Liabilities:		
Secured debt, net	**$ 1,140,692**	$ 1,277,713
Unsecured debt, net	**4,724,571**	4,520,996
Operating lease liabilities	**183,181**	185,836
Real estate taxes payable	**68,816**	47,107
Accrued interest payable	**28,773**	47,710
Security deposits and prepaid rent	**49,727**	50,528
Distributions payable	**151,755**	149,600
Accounts payable, accrued expenses, and other liabilities	**119,202**	141,311
Total liabilities	**6,466,717**	6,420,801
Commitments and contingencies (Note 13)		
Redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership	**1,098,987**	961,087
Equity:		
Preferred stock, no par value; 50,000,000 shares authorized at September 30, 2024 and December 31, 2023:		
8.00% Series E Cumulative Convertible; 2,600,678 and 2,686,308 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	**43,192**	44,614
Series F; 11,355,829 and 11,867,730 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	**1**	1
Common stock, $0.01 par value; 450,000,000 shares authorized at September 30, 2024 and December 31, 2023:		
329,926,696 and 329,014,512 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	**3,299**	3,290
Additional paid-in capital	**7,526,910**	7,493,217
Distributions in excess of net income	**(4,064,283)**	(3,554,892)
Accumulated other comprehensive income/(loss), net	**4,606**	4,914
Total stockholders' equity	**3,513,725**	3,991,144
Noncontrolling interests	**335**	210
Total equity	**3,514,060**	3,991,354
Total liabilities and equity	**$ 11,079,764**	$ 11,373,242

See accompanying notes to consolidated financial statements.

UDR, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
REVENUES:				
Rental income	**$ 418,088**	$ 408,359	**$ 1,243,085**	$ 1,209,764
Joint venture management and other fees	**2,072**	1,772	**6,029**	4,464
Total revenues	**420,160**	410,131	**1,249,114**	1,214,228
OPERATING EXPENSES:				
Property operating and maintenance	**76,484**	71,599	**220,405**	205,294
Real estate taxes and insurance	**57,182**	58,104	**174,861**	173,590
Property management	**13,588**	13,271	**40,400**	39,317
Other operating expenses	**6,382**	4,611	**20,803**	11,902
Real estate depreciation and amortization	**170,276**	167,551	**510,622**	505,776
General and administrative	**20,890**	15,159	**58,836**	49,091
Casualty-related charges/(recoveries), net	**1,473**	(1,928)	**8,749**	3,362
Other depreciation and amortization	**4,029**	3,692	**13,024**	11,022
Total operating expenses	**350,304**	332,059	**1,047,700**	999,354
Gain/(loss) on sale of real estate owned	**—**	—	**16,867**	325,885
Operating income	**69,856**	78,072	**218,281**	540,759
Income/(loss) from unconsolidated entities	**(1,880)**	5,508	**11,251**	24,912
Interest expense	**(50,214)**	(44,664)	**(146,087)**	(133,519)
Interest income and other income/(expense), net	**6,159**	(3,069)	**18,522**	8,388
Income/(loss) before income taxes	**23,921**	35,847	**101,967**	440,540
Tax (provision)/benefit, net	**156**	(428)	**(567)**	(2,013)
Net income/(loss)	**24,077**	35,419	**101,400**	438,527
Net (income)/loss attributable to redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership	**(1,574)**	(2,554)	**(6,736)**	(27,137)
Net (income)/loss attributable to noncontrolling interests	**94**	(7)	**(35)**	(23)
Net income/(loss) attributable to UDR, Inc.	**22,597**	32,858	**94,629**	411,367
Distributions to preferred stockholders — Series E (Convertible)	**(1,197)**	(1,221)	**(3,638)**	(3,626)
Net income/(loss) attributable to common stockholders	**$ 21,400**	$ 31,637	**$ 90,991**	$ 407,741
Income/(loss) per weighted average common share:				
Basic	**$ 0.06**	$ 0.10	**$ 0.28**	$ 1.24
Diluted	**$ 0.06**	$ 0.10	**$ 0.28**	$ 1.24
Weighted average number of common shares outstanding:				
Basic	**329,421**	328,760	**329,101**	328,835
Diluted	**330,557**	329,201	**329,755**	329,283

See accompanying notes to consolidated financial statements.

UDR, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(In thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Net income/(loss)	**$ 24,077**	$ 35,419	**$ 101,400**	$ 438,527
Other comprehensive income/(loss), including portion attributable to noncontrolling interests:				
Other comprehensive income/(loss) - derivative instruments:				
Unrealized holding gain/(loss)	**(1,768)**	1,314	**5,464**	5,336
(Gain)/loss reclassified into earnings from other comprehensive income/(loss)	**(1,782)**	(2,110)	**(5,768)**	(5,332)
Other comprehensive income/(loss), including portion attributable to noncontrolling interests	**(3,550)**	(796)	**(304)**	4
Comprehensive income/(loss)	**20,527**	34,623	**101,096**	438,531
Comprehensive (income)/loss attributable to noncontrolling interests	**(1,234)**	(2,521)	**(6,775)**	(27,148)
Comprehensive income/(loss) attributable to UDR, Inc.	**$ 19,293**	$ 32,102	**$ 94,321**	$ 411,383

See accompanying notes to consolidated financial statements.

UDR, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In thousands, except per share data)
(Unaudited)

	Preferred Stock	Common Stock	Paid-in Capital	Distributions in Excess of Net Income	Accumulated Other Comprehensive Income/(Loss), net	Noncontrolling Interests	Total
Balance at June 30, 2024	**$ 43,193**	**$ 3,295**	**$ 7,508,794**	**$ (3,840,808)**	**$ 7,910**	**$ 335**	**$ 3,722,719**
Net income/(loss) attributable to UDR, Inc.	—	—	—	22,597	—	—	22,597
Other comprehensive income/(loss)	—	—	—	—	(3,304)	—	(3,304)
Issuance/(forfeiture) of common and restricted shares, net	—	—	2,242	—	—	—	2,242
Issuance of common shares through public offering, net	—	—	(38)	—	—	—	(38)
Adjustment for conversion of noncontrolling interest of unitholders in the Operating Partnership and DownREIT Partnership	—	4	15,912	—	—	—	15,916
Common stock distributions declared ($0.425 per share)	—	—	—	(140,219)	—	—	(140,219)
Preferred stock distributions declared-Series E ($0.465 per share)	—	—	—	(1,197)	—	—	(1,197)
Adjustment to reflect redemption value of redeemable noncontrolling interests	—	—	—	(104,656)	—	—	(104,656)
Balance at September 30, 2024	**$ 43,193**	**$ 3,299**	**$ 7,526,910**	**$ (4,064,283)**	**$ 4,606**	**$ 335**	**$ 3,514,060**

	Preferred Stock	Common Stock	Paid-in Capital	Distributions in Excess of Net Income	Accumulated Other Comprehensive Income/(Loss), net	Noncontrolling Interests	Total
Balance at December 31, 2023	**$ 44,615**	**$ 3,290**	**$ 7,493,217**	**$ (3,554,892)**	**$ 4,914**	**$ 210**	**$ 3,991,354**
Net income/(loss) attributable to UDR, Inc.	—	—	—	94,629	—	—	94,629
Other comprehensive income/(loss)	—	—	—	—	(308)	—	(308)
Issuance/(forfeiture) of common and restricted shares, net	—	1	4,343	—	—	—	4,344
Issuance of common shares through public offering, net	—	—	(456)	—	—	—	(456)
Conversion of Series E Cumulative Convertible shares	(1,422)	1	1,421	—	—	—	—
Adjustment for conversion of noncontrolling interest of unitholders in the Operating Partnership and DownREIT Partnership	—	7	28,385	—	—	—	28,392
Contribution of noncontrolling interests in consolidated real estate	—	—	—	—	—	125	125
Common stock distributions declared ($1.275 per share)	—	—	—	(420,296)	—	—	(420,296)
Preferred stock distributions declared-Series E ($1.3950 per share)	—	—	—	(3,638)	—	—	(3,638)
Adjustment to reflect redemption value of redeemable noncontrolling interests	—	—	—	(180,086)	—	—	(180,086)
Balance at September 30, 2024	**$ 43,193**	**$ 3,299**	**$ 7,526,910**	**$ (4,064,283)**	**$ 4,606**	**$ 335**	**$ 3,514,060**

	Preferred Stock	Common Stock	Paid-in Capital	Distributions in Excess of Net Income	Accumulated Other Comprehensive Income/(Loss), net	Noncontrolling Interests	Total
Balance at June 30, 2023	**$ 44,615**	**$ 3,295**	**$ 7,508,616**	**$ (3,445,679)**	**$ 9,116**	**$ 210**	**$ 4,120,173**
Net income/(loss) attributable to UDR, Inc.	—	—	—	32,858	—	—	32,858
Other comprehensive income/(loss)	—	—	—	—	(756)	—	(756)
Issuance/(forfeiture) of common and restricted shares, net	—	—	1,842	—	—	—	1,842
Adjustment for conversion of noncontrolling interest of unitholders in the Operating Partnership and DownREIT Partnership	—	—	2,060	—	—	—	2,060
Common stock distributions declared ($0.42 per share)	—	—	—	(138,111)	—	—	(138,111)
Repurchase of common shares	—	(6)	(25,003)	—	—	—	(25,009)
Preferred stock distributions declared-Series E ($0.4548 per share)	—	—	—	(1,221)	—	—	(1,221)
Adjustment to reflect redemption value of redeemable noncontrolling interests	—	—	—	159,298	—	—	159,298
Balance at September 30, 2023	**$ 44,615**	**$ 3,289**	**$ 7,487,515**	**$ (3,392,855)**	**$ 8,360**	**$ 210**	**$ 4,151,134**

	Preferred Stock	Common Stock	Paid-in Capital	Distributions in Excess of Net Income	Accumulated Other Comprehensive Income/(Loss), net	Noncontrolling Interests	Total
Balance at December 31, 2022	**$ 44,615**	**$ 3,290**	**$ 7,493,423**	**$ (3,451,587)**	**$ 8,344**	**$ 210**	**$ 4,098,295**
Net income/(loss) attributable to UDR, Inc.	—	—	—	411,367	—	—	411,367
Other comprehensive income/(loss)	—	—	—	—	16	—	16
Issuance/(forfeiture) of common and restricted shares, net	—	2	4,808	—	—	—	4,810
Issuance of common shares through public offering, net	—	—	(473)	—	—	—	(473)
Adjustment for conversion of noncontrolling interest of unitholders in the Operating Partnership and DownREIT Partnership	—	3	14,760	—	—	—	14,763
Common stock distributions declared ($0.84 per share)	—	—	—	(414,808)	—	—	(414,808)
Repurchase of common shares	—	(6)	(25,003)	—	—	—	(25,009)
Preferred stock distributions declared-Series E ($0.9096 per share)	—	—	—	(3,626)	—	—	(3,626)
Adjustment to reflect redemption value of redeemable noncontrolling interests	—	—	—	65,799	—	—	65,799
Balance at September 30, 2023	**$ 44,615**	**$ 3,289**	**$ 7,487,515**	**$ (3,392,855)**	**$ 8,360**	**$ 210**	**$ 4,151,134**

See accompanying notes to consolidated financial statements.

UDR, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, except for share data)
(Unaudited)

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Operating Activities		
Net income/(loss)	**$ 101,400**	$ 438,527
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:		
Depreciation and amortization	**523,646**	516,798
(Gain)/loss on sale of real estate owned	**(16,867)**	(325,885)
(Income)/loss from unconsolidated entities	**(11,251)**	(24,912)
Return on investment in unconsolidated joint ventures and partnerships	**29,816**	11,969
Amortization of share-based compensation	**25,857**	22,770
Other	**19,308**	10,516
Changes in operating assets and liabilities:		
(Increase)/decrease in operating assets	**(21,235)**	(20,164)
Increase/(decrease) in operating liabilities	**(14,362)**	(16,026)
Net cash provided by/(used in) operating activities	**636,312**	613,593
Investing Activities		
Acquisition of real estate assets	**—**	(17,848)
Proceeds from sales of real estate investments, net	**98,650**	247,935
Development of real estate assets	**(63,236)**	(120,644)
Capital expenditures and other major improvements — real estate assets	**(188,783)**	(220,341)
Capital expenditures — non-real estate assets	**(16,304)**	(14,081)
Investment in unconsolidated joint ventures and partnerships	**(45,372)**	(27,775)
Distributions received from unconsolidated joint ventures and partnerships	**13,646**	9,315
Proceeds from sale of equity securities	**4,624**	—
Purchase deposits on pending acquisitions	**1,000**	(1,000)
Repayment/(issuance) of notes receivable, net	**(31,818)**	(71,786)
Net cash provided by/(used in) investing activities	**(227,593)**	(216,225)
Financing Activities		
Payments on secured debt	**(136,631)**	(884)
Payments on unsecured debt	**(15,644)**	—
Net proceeds from the issuance of unsecured debt	**296,929**	—
Net proceeds/(repayment) of commercial paper	**(118,075)**	80,000
Net proceeds/(repayment) of revolving bank debt	**42,191**	(1,316)
Repurchase of common shares	**—**	(25,009)
Distributions paid to redeemable noncontrolling interests	**(31,398)**	(25,869)
Distributions paid to preferred stockholders	**(3,642)**	(3,540)
Distributions paid to common stockholders	**(418,263)**	(401,686)
Other	**(23,500)**	(16,803)
Net cash provided by/(used in) financing activities	**(408,033)**	(395,107)
Net increase/(decrease) in cash, cash equivalents, and restricted cash	**686**	2,261
Cash, cash equivalents, and restricted cash, beginning of year	**34,866**	30,194
Cash, cash equivalents, and restricted cash, end of period	**$ 35,552**	$ 32,455
Supplemental Information:		
Interest paid during the period, net of amounts capitalized	**$ 166,511**	$ 156,606
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	**9,377**	9,377
Cash paid/(refunds received) for income taxes	**1,063**	1,914
Non-cash transactions:		
Secured debt assumed upon acquisition of real estate assets	**$ —**	$ 191,737
OP Units issued for real estate, net	**—**	141,359
Redeemable long-term and short-term incentive plan units	**21,121**	19,334
Development costs and capital expenditures incurred, but not yet paid	**21,214**	42,760
Conversion of Operating Partnership and DownREIT Partnership noncontrolling interests to common stock (715,603 shares and 357,813 shares, respectively)	**28,391**	14,763
Distribution of equity securities from unconsolidated real estate technology investments	**—**	7,749
Contribution of operating properties to unconsolidated joint venture	**—**	258,056
Transfer of preferred equity investment to note receivable	**—**	73,453
Dividends declared, but not yet paid	**151,755**	149,615
The following reconciles cash, cash equivalents, and restricted cash to amounts as shown above:		
Cash, cash equivalents, and restricted cash, beginning of year:		
Cash and cash equivalents	**$ 2,922**	$ 1,193
Restricted cash	**31,944**	29,001
Total cash, cash equivalents, and restricted cash as shown above	**$ 34,866**	$ 30,194
Cash, cash equivalents, and restricted cash, end of period:		

	Nine Months Ended September 30,	
	2024	**2023**
Cash and cash equivalents	**$ 2,285**	$ 1,624
Restricted cash	**33,267**	30,831
Total cash, cash equivalents, and restricted cash as shown above	**$ 35,552**	$ 32,455

See accompanying notes to consolidated financial statements.

UDR, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

1. BASIS OF PRESENTATION

Organization and Formation

UDR, Inc. ("UDR," the "Company," "we," or "our") is a self-administered real estate investment trust, or REIT, that owns, operates, acquires, renovates, develops, redevelops, and manages apartment communities in targeted markets located in the United States. At September 30, 2024, our consolidated apartment portfolio consisted of 169 communities with a total of 55,699 apartment homes located in 21 markets. In addition, the Company has an ownership interest in 10,860 completed or to-be-completed apartment homes through unconsolidated joint ventures or partnerships, including 6,436 apartment homes owned by entities in which we hold preferred equity investments.

Basis of Presentation

The accompanying consolidated financial statements of UDR include its wholly-owned and/or controlled subsidiaries (see Note 4, *Variable Interest Entities* and Note 5*, Joint Ventures and Partnerships*, for further discussion). All significant intercompany accounts and transactions have been eliminated in consolidation.

The accompanying consolidated financial statements include the accounts of UDR and its subsidiaries, including United Dominion Realty, L.P. (the "Operating Partnership" or the "OP") and UDR Lighthouse DownREIT L.P. (the "DownREIT Partnership"). As of September 30, 2024, there were 189.8 million units in the Operating Partnership ("OP Units") outstanding, of which 176.5 million OP Units (including 0.1 million of general partnership units), or 93.0%, were owned by UDR and 13.3 million OP Units, or 7.0%, were owned by outside limited partners. As of September 30, 2024, there were 32.4 million units in the DownREIT Partnership ("DownREIT Units") outstanding, of which 22.0 million, or 67.9%, were owned by UDR and its subsidiaries and 10.4 million, or 32.1%, were owned by outside limited partners. The consolidated financial statements of UDR include the noncontrolling interests of the unitholders in the Operating Partnership and DownREIT Partnership.

The accompanying interim unaudited consolidated financial statements have been prepared according to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted according to such rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments and eliminations necessary for the fair presentation of our financial position as of September 30, 2024, and results of operations for the three and nine months ended September 30, 2024 and 2023, have been included. Such adjustments are normal and recurring in nature. The interim results presented are not necessarily indicative of results that can be expected for a full year. The accompanying interim unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2023 appearing in UDR's Annual Report on Form 10-K, filed with the SEC on February 20, 2024.

The accompanying interim unaudited consolidated financial statements are presented in accordance with U.S. generally accepted accounting principles ("GAAP"). GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the dates of the interim unaudited consolidated financial statements and the amounts of revenues and expenses during the reporting periods. Actual amounts realized or paid could differ from those estimates. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Company evaluated subsequent events through the date its financial statements were issued. No significant recognized or non-recognized subsequent events were noted.

2. SIGNIFICANT ACCOUNTING POLICIES

Recent Accounting Pronouncements

In March 2024, the SEC issued final rules on the enhancement and standardization of climate-related disclosures. The rules require disclosure of, among other things: material climate-related risks; activities to mitigate or

adapt to such risks; governance and management of such risks; and material greenhouse gas emissions from operations owned or controlled (Scope 1) and/or indirect emissions from purchased energy consumed in operations (Scope 2). Additionally, the rules require disclosure in the notes to the financial statements of the effects of severe weather events and other natural conditions, subject to certain materiality thresholds. The rules will become effective for the Company on a phased-in timeline starting in the year ended December 31, 2025. While the SEC has voluntarily stayed the rules, the Company is currently evaluating the effect the rules will have on its financial statement disclosures.

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740) – Improvements to Income Tax Disclosures*, which requires disclosure enhancements and further transparency to certain income tax disclosures, most notably the tax rate reconciliation and income taxes paid. The ASU is effective for the Company for the year ended December 31, 2025. The Company is currently evaluating the effect that the ASU will have on the consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU 2023-07*, Segment Reporting (Topic 280) – Improvements to Reportable Segments Disclosures*. ASU 2023-07 requires expanded disclosures of a public entity's reportable segments, and requires more enhanced information regarding a reportable segment's expenses on an interim and annual basis. The ASU is effective for the Company for the year ended December 31, 2024, and interim periods commencing in 2025. Early adoption is permitted. The Company is currently evaluating the effect that the ASU will have on the consolidated financial statements and related disclosures.

Principles of Consolidation

The Company accounts for subsidiary partnerships, joint ventures and other similar entities in which it holds an ownership interest in accordance with the consolidation guidance. The Company first evaluates whether each entity is a variable interest entity ("VIE"). Under the VIE model, the Company consolidates an entity when it has control to direct the activities of the VIE and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. Under the voting model, the Company consolidates an entity when it controls the entity through ownership of a majority voting interest.

Real Estate Sales Gain Recognition

For sale transactions resulting in a transfer of a controlling financial interest of a property, the Company generally derecognizes the related assets and liabilities from its Consolidated Balance Sheets and records the gain or loss in the period in which the transfer of control occurs. If control of the property has not been transferred by the Company, the criteria for derecognition are not met and the Company will continue to recognize the related assets and liabilities on its Consolidated Balance Sheets.

Sale transactions to entities in which the Company sells a controlling financial interest in a property but retains a noncontrolling interest are accounted for as partial sales. Partial sales resulting in a change in control are accounted for at fair value and a full gain or loss is recognized. Therefore, the Company will record a gain or loss on the partial interest sold, and the initial measurement of our retained interest will be accounted for at fair value.

Sales of real estate to joint ventures or other noncontrolled investees are also accounted for at fair value and the Company will record a full gain or loss in the period the property is contributed.

To the extent that the Company acquires a controlling financial interest in a property that it previously accounted for as an equity method investment, the Company will not remeasure its previously held interest if the acquisition is treated as an asset acquisition. The Company will include the carrying amount of its previously held equity method interest along with the consideration paid and transaction costs incurred in determining the amounts to allocate to the related assets and liabilities acquired on its Consolidated Balance Sheets. When treated as an asset acquisition, the Company will not recognize a gain or loss on consolidation of a property.

Allowance for Credit Losses

The Company accounts for allowance for credit losses under the current expected credit loss ("CECL") impairment model for its financial assets, including trade and other receivables, held-to-maturity debt securities, loans and other financial instruments, and presents the net amount of the financial instrument expected to be collected. The CECL impairment model excludes operating lease receivables. The CECL impairment model requires an estimate of expected credit losses, measured over the contractual life of an instrument, that considers forecasts of future economic conditions in addition to information about past events and current conditions. Based on this model, we analyze the following criteria, as applicable in developing allowances for credit losses: historical loss information, the borrower's ability to make scheduled payments, the remaining time to maturity, the value of underlying collateral, projected future performance of the borrower and macroeconomic trends.

The Company measures credit losses of financial assets on a collective (pool) basis when similar risk characteristics exist. If the Company determines that a financial asset does not share risk characteristics with the Company's other financial assets, the Company evaluates the financial asset for expected credit losses on an individual basis. Allowance for credit losses are recorded as a direct reduction from an asset's amortized cost basis. Credit losses and recoveries are recorded in *Interest income and other income/(expense), net* on the Consolidated Statements of Operations. Recoveries of financial assets previously written off are recorded when received. For the three months ended September 30, 2024 and 2023, the Company recorded net credit recoveries/(losses) of $(0.2) million and $(0.1) million, respectively, on the Consolidated Statements of Operations. For the nine months ended September 30, 2024 and 2023, the Company recorded net credit recoveries/(losses) of $(0.2) million and $(0.6) million, respectively, on the Consolidated Statements of Operations.

The Company has made the optional election provided by the standard not to measure allowance for credit losses for accrued interest receivables as the Company writes off any uncollectible accrued interest receivables in a timely manner. The Company periodically evaluates the collectability of its accrued interest receivables. A write-off is recorded when the Company concludes that all or a portion of its accrued interest receivable balance is no longer collectible.

Notes Receivable

Notes receivable relate to financing arrangements which are typically secured by assets of the borrower that may include real estate assets. Certain of the loans we extend may include characteristics such as options to purchase the project within a specific time window following expected project completion. These characteristics can cause the loans to fall under the definition of a VIE, and thus trigger consolidation consideration. We consider the facts and circumstances pertinent to each loan, including the relative amount of financing we are contributing to the overall project cost, decision making rights or control we hold, and our rights to expected residual gains or our obligations to absorb expected residual losses from the project. If we are deemed to be the primary beneficiary of a VIE due to holding a controlling financial interest, the majority of decision making control, or by other means, consolidation of the VIE would be required. The Company has concluded that it is not the primary beneficiary of the borrowing entities of the existing loans.

Additionally, we analyze each loan arrangement that involves real estate development to consider whether the loan qualifies for accounting as a loan or as an investment in a real estate development project. The Company has evaluated its real estate loans, where appropriate, for accounting treatment as loans versus real estate development projects, as required by Accounting Standards Codification ("ASC") 310-10. For each loan, the Company has concluded that the characteristics and the facts and circumstances indicate that loan accounting treatment is appropriate.

The following table summarizes our *Notes receivable, net* as of September 30, 2024 and December 31, 2023 (*dollars in thousands):*

	Interest rate at September 30, 2024	Balance Outstanding (a)	
		September 30, 2024	December 31, 2023
Note due December 2024 (b)	12.00 %	**$ 41,189**	$ 37,022
Notes due October 2025 (c)	10.50 %	**106,271**	98,271
Note due December 2026 (d)	11.00 %	**69,977**	64,608
Note due December 2026 (e)	11.00 %	**28,295**	26,164
Notes due June 2027 (f)	18.00 %	**4,273**	3,737
Note due September 2027 (g)	7.84 %	**31,154**	—
Notes receivable		**281,159**	229,802
Allowance for credit losses		**(1,153)**	(977)
Total notes receivable, net		**$ 280,006**	$ 228,825

(a) Outstanding note amounts include any accrued and unpaid interest, as applicable.

(b) The Company has a secured note with an unaffiliated third party with an aggregate commitment of $32.5 million, of which $32.4 million was funded as of September 30, 2024. Interest payments are due monthly, with the exception of payments from June 2022 to December 2024, which are accrued and added to the principal balance and will be due at maturity of the note. The note is secured by substantially all of the borrower's assets and matures at the earliest of the following: (a) the closing of any private or public capital raising in the amount of $5.0 million or greater; (b) an acquisition; (c) acceleration in the event of default; or (d) December 2024.

(c) The Company has two loans (the "Notes") with a joint venture that owns a 478 apartment home operating community located in Philadelphia, Pennsylvania with an aggregate commitment of $93.5 million (exclusive of accrued and unpaid interest), all of which has been funded. The Notes are subordinate to the senior construction loan, but senior to the equity in the borrower. In April 2024, the joint venture refinanced the senior construction loan with a new loan that matures in April 2026, with a one-year extension option subject to certain conditions. The Notes had a scheduled maturity date in October 2024, with two one-year extension options. In September 2024, the developer extended the maturity date to October 2025. Commencing in October 2024, the contractual interest rate on the Notes increased to 11.0% in connection with the developer exercising its option to extend the maturity date of the Notes.

(d) The Company has a secured mezzanine loan with a third party developer of a 482 apartment home community located in Riverside, California, which is expected to be completed in 2025, with an aggregate commitment of $59.7 million (exclusive of accrued and unpaid interest), all of which has been funded. Interest payments accrue for 36 months and are due monthly after the loan has been outstanding for 36 months. The secured mezzanine loan has a scheduled maturity date in December 2026, with two one-year extension options.

(e) The Company has a secured mezzanine loan with a third party developer of a 237 apartment home community located in Menifee, California, which is expected to be completed in 2025, with an aggregate commitment of $24.4 million (exclusive of accrued and unpaid interest), all of which has been funded. Interest payments accrue for 36 months and are due monthly after the loan has been outstanding for 36 months. The secured mezzanine loan has a scheduled maturity date in December 2026, with two one-year extension options.

(f) The Company and a syndicate of lenders previously entered into a $16.0 million secured credit facility with an unaffiliated third party. In 2023, the secured credit facility was amended to provide a new term loan in the amount of $19.0 million, and the Company's commitment was increased from $1.5 million to $3.0 million (exclusive of accrued interest), all of which has been funded. Interest payments accrue and are due at maturity of the facility. The facility is secured by substantially all of the borrower's assets and matures at the earliest of the following: (a) acceleration in the event of default; or (b) June 2027.

(g) In September 2024, the Company entered into a secured mortgage loan with one of its joint ventures that owns a 66 apartment home operating community located in Santa Monica, California, in which the Company also holds a preferred investment. The contractual interest rate on the note receivable is SOFR plus a spread of 300 basis points. Interest payments are due monthly from net cash flow from the operating community. If net cash flow is insufficient to cover the interest payment on the payment date, the unpaid amount is added to the outstanding principal balance.

The mortgage loan has a scheduled maturity date in September 2027. (See Note 5, *Joint Ventures and Partnerships* for further discussion).

The Company recognized $6.6 million and $5.0 million of interest income for the notes receivable described above during the three months ended September 30, 2024 and 2023, respectively, and $19.4 million and $8.4 million of interest income for the notes receivable described above during the nine months ended September 30, 2024 and 2023, respectively, none of which was related party interest. Interest income is included in *Interest income and other income/(expense), net* on the Consolidated Statements of Operations.

Comprehensive Income/(Loss)

Comprehensive income/(loss), which is defined as the change in equity during each period from transactions and other events and circumstances from nonowner sources, including all changes in equity during a period except for those resulting from investments by or distributions to stockholders, is displayed in the accompanying Consolidated Statements of Comprehensive Income/(Loss). For the three and nine months ended September 30, 2024 and 2023, the Company's other comprehensive income/(loss) consisted of the gain/(loss) on derivative instruments that are designated as and qualify as cash flow hedges, (gain)/loss on derivative instruments reclassified from other comprehensive income/(loss) into earnings, and the allocation of other comprehensive income/(loss) to noncontrolling interests. The (gain)/loss on derivative instruments reclassified from other comprehensive income/(loss) is included in *Interest expense* on the Consolidated Statements of Operations. See Note 11, *Derivatives and Hedging Activity,* for further discussion. The allocation of other comprehensive income/(loss) to redeemable noncontrolling interests during the three months ended September 30, 2024 and 2023 was $(0.2) million and less than $(0.1) million, respectively, and during the nine months ended September 30, 2024 and 2023, less than $0.1 million and less than $(0.1) million, respectively.

Income Taxes

Due to the structure of the Company as a REIT and the nature of the operations for the operating properties, no provision for federal income taxes has been provided for at UDR. Historically, the Company has generally incurred only state and local excise and franchise taxes. UDR has elected for certain consolidated subsidiaries to be treated as taxable REIT subsidiaries ("TRS").

Income taxes for our TRS are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in tax rate is recognized in earnings in the period of the enactment date. The Company's deferred tax assets/(liabilities) are generally the result of differing depreciable lives on capitalized assets, temporary differences between book and tax basis of assets and liabilities and timing of expense recognition for certain accrued liabilities. As of September 30, 2024 and December 31, 2023, UDR's net deferred tax asset/(liability) was $(0.9) million and $(0.8) million, respectively, and are recorded in *Accounts payable, accrued expenses and other liabilities* on the Consolidated Balance Sheets.

GAAP defines a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. GAAP also provides guidance on derecognition, classification, interest and penalties, accounting for interim periods, disclosure and transition.

The Company recognizes and evaluates its tax positions using a two-step process. First, UDR determines whether a tax position is more likely than not (greater than 50 percent probability) to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Second, the Company will determine the amount of benefit to recognize and record the amount that is more likely than not to be realized upon ultimate settlement.

The Company invests in assets that qualify for federal investment tax credits ("ITC") through our TRS. An ITC reduces federal income taxes payable when qualifying depreciable property is acquired. The ITC is determined as a percentage of cost of the assets. The Company accounts for ITCs under the deferral method, under which the tax benefit from the ITC is deferred and amortized as a tax benefit into *Tax (provision)/benefit, net* on the Consolidated Statements

of Operations over the book life of the qualifying depreciable property. The ITCs are recorded in *Accounts payable, accrued expenses and other liabilities* on the Consolidated Balance Sheets.

UDR had no material unrecognized tax benefit, accrued interest or penalties at September 30, 2024. UDR and its subsidiaries are subject to federal income tax as well as income tax of various state and local jurisdictions. The tax years 2021 through 2023 remain open to examination by tax jurisdictions to which we are subject. When applicable, UDR recognizes interest and/or penalties related to uncertain tax positions in *Tax (provision)/benefit, net* on the Consolidated Statements of Operations.

Forward Sales Agreements

From time to time the Company utilizes forward sales agreements for the future issuance of its common stock. When the Company enters into a forward sales agreement, the contract requires the Company to sell its shares to a counterparty at a predetermined price at a future date. The net sales price and proceeds attained by the Company will be determined on the dates of settlement, with adjustments during the term of the contract for the Company's anticipated dividends as well as for a daily interest factor that varies with changes in the federal funds rate. The Company generally has the ability to determine the dates and method of settlement (i.e., gross physical settlement, net share settlement or cash settlement), subject to certain conditions and the right of the counterparty to accelerate settlement under certain circumstances.

The Company accounts for the shares of common stock reserved for issuance upon settlement as equity in accordance with ASC 815-40, *Contracts in Entity's Own Equity*, which permits equity classification when a contract is considered indexed to the entity's own stock and the contract requires or permits the issuing entity to settle the contract in shares (either physically or net in shares).

The guidance establishes a two-step process for evaluating whether an equity-linked financial instrument is considered indexed to the entity's own stock, first, evaluating the instrument's contingent exercise provisions and second, evaluating the instrument's settlement provisions. When entering into forward sales agreements, we determined that (i) none of the agreement's exercise contingencies are based on observable markets or indices besides those related to the market for our own stock price; and (ii) none of the settlement provisions preclude the agreements from being indexed to our own stock.

Before the issuance of shares of common stock, upon physical or net share settlement of the forward sales agreements, the Company expects that the shares issuable upon settlement of the forward sales agreements will be reflected in its diluted income/(loss) per share calculations using the treasury stock method. Under this method, the number of shares of common stock used in calculating diluted income/(loss) per share is deemed to be increased by the excess, if any, of the number of shares of common stock that would be issued upon full physical settlement of the forward sales agreements over the number of shares of common stock that could be purchased by the Company in the open market (based on the average market price during the period) using the proceeds receivable upon full physical settlement (based on the adjusted forward sale price at the end of the reporting period). When the Company physically or net share settles any forward sales agreement, the delivery of shares of common stock would result in an increase in the number of weighted average common shares outstanding and dilution to basic income/(loss) per share. (See Note 8, *Income/(Loss) per Share* for further discussion.)

Lease Receivables

During the three and nine months ended September 30, 2024 and 2023, the Company performed an analysis in accordance with the ASC 842, *Leases,* guidance to assess the collectibility of its operating lease receivables. This analysis included an assessment of collectibility of current and future rents and whether those lease payments were no longer probable of collection. In accordance with the leases guidance, if collection of lease payments is no longer deemed to be probable over the life of the lease contract, we recognize revenue only when cash is received, and all existing contractual operating lease receivables and straight-line lease receivables are reserved.

As of September 30, 2024, the Company's multifamily tenant lease receivables balance, net of its reserve, was approximately $5.9 million, including its share from unconsolidated joint ventures. The Company's retail tenant lease

receivables balance (exclusive of straight-line rent receivables), net of its reserve, was approximately $0.2 million, including its share from unconsolidated joint ventures, as of September 30, 2024.

3. REAL ESTATE OWNED

Real estate assets owned by the Company consist of income producing operating properties, properties under development, land held for future development, and held for disposition properties. As of September 30, 2024, the Company owned and consolidated 169 communities in 13 states plus the District of Columbia totaling 55,699 apartment homes. The following table summarizes the carrying amounts for our real estate owned (at cost) as of September 30, 2024 and December 31, 2023 *(dollars in thousands):*

	September 30, 2024	December 31, 2023
Land	**$ 2,565,795**	$ 2,549,716
Depreciable property — held and used:		
Land improvements	**265,420**	255,706
Building, improvements, and furniture, fixtures and equipment	**13,271,034**	12,902,021
Real estate intangible assets	**50,013**	50,013
Under development:		
Land and land improvements	**—**	16,576
Building, improvements, and furniture, fixtures and equipment	**—**	143,828
Real estate held for disposition:		
Land and land improvements	**—**	13,734
Building, improvements, and furniture, fixtures and equipment	**—**	92,265
Real estate owned	**16,152,262**	16,023,859
Accumulated depreciation (a)	**(6,739,674)**	(6,267,830)
Real estate owned, net	**$ 9,412,588**	$ 9,756,029

(a) Accumulated depreciation is inclusive of $20.2 million and $17.2 million of accumulated amortization related to real estate intangible assets as of September 30, 2024 and December 31, 2023, respectively.

Acquisitions

In January 2024, the Company acquired its joint venture partner's common equity interest in a 173 apartment home operating community located in Oakland, California for $1.4 million. The community was previously owned by a consolidated joint venture of the Company. (See Note 5, *Joint Ventures and Partnerships* for more information).

Dispositions

In February 2024, the Company sold an operating community located in Arlington, Virginia with a total of 214 apartment homes for gross proceeds of $100.0 million, resulting in a gain of approximately $16.9 million. This operating community was classified as held for disposition as of December 31, 2023.

Other Activity

Predevelopment, development, and redevelopment projects and related costs are capitalized and reported on the Consolidated Balance Sheets as *Total real estate owned, net of accumulated depreciation*. The Company capitalizes costs directly related to the predevelopment, development, and redevelopment of a capital project, which include, but are not limited to, interest, real estate taxes, insurance, and allocated development and redevelopment overhead related to support costs for personnel working on the capital projects. We use our professional judgment in determining whether such costs meet the criteria for capitalization or must be expensed as incurred. These costs are capitalized only during the period in which activities necessary to ready an asset for its intended use are in progress and such costs are incremental and identifiable to a specific activity to get the asset ready for its intended use. These costs, excluding the direct costs of development and redevelopment and capitalized interest, for the three months ended September 30, 2024 and 2023, were $4.6 million and $2.6 million, respectively, and $13.2 million and $10.3 million, respectively, for the nine months ended September 30, 2024 and 2023. Total capitalized interest was $2.0 million and $2.6 million,

respectively, for the three months ended September 30, 2024 and 2023, and $7.3 million and $7.2 million for the nine months ended September 30, 2024 and 2023, respectively. As each apartment home in a capital project is completed and becomes available for lease-up, the Company ceases capitalization on the related portion of the costs and depreciation commences over the estimated useful life.

We record impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by the future operation and disposition of those assets are less than the net book value of those assets. Our cash flow estimates are based upon historical results adjusted to reflect our best estimate of future market and operating conditions and our estimated holding periods. The net book value of impaired assets is reduced to fair value. Our estimates of fair value represent our best estimate based upon Level 3 inputs such as industry trends and reference to market rates and transactions. The Company did not recognize any impairments in the value of its long-lived assets during the three and nine months ended September 30, 2024 and 2023.

In connection with the acquisition of certain properties, the Company agreed to pay certain of the tax liabilities of certain contributors if the Company sells one or more of the properties contributed in a taxable transaction prior to the expiration of specified periods of time following the acquisition. The Company may, however, sell, without being required to pay any tax liabilities, any of such properties in a non-taxable transaction, including, but not limited to, a tax-deferred Section 1031 exchange.

Further, the Company has agreed to maintain certain debt some of which may be guaranteed by certain contributors for specified periods of time following the acquisition. The Company, however, has the ability to refinance or repay guaranteed debt or to substitute new debt if the debt and the guaranty continue to satisfy certain conditions.

4. VARIABLE INTEREST ENTITIES

The Company has determined that the Operating Partnership and DownREIT Partnership are VIEs as the limited partners lack substantive kick-out rights and substantive participating rights. The Company has concluded that it is the primary beneficiary of, and therefore consolidates, the Operating Partnership and DownREIT Partnership based on its role as the sole general partner of the Operating Partnership and DownREIT Partnership. The Company's role as community manager and its equity interests give us the power to direct the activities that most significantly impact the economic performance and the obligation to absorb potentially significant losses or the right to receive potentially significant benefits of the Operating Partnership and DownREIT Partnership.

5. JOINT VENTURES AND PARTNERSHIPS

UDR has entered into joint ventures and partnerships with unrelated third parties to own, operate, acquire, renovate, develop, redevelop, dispose of, and manage real estate assets that are either consolidated and included in *Real estate owned* on the Consolidated Balance Sheets or are accounted for under the equity method of accounting, and are included in *Investment in and advances to unconsolidated joint ventures, net*, on the Consolidated Balance Sheets. The Company consolidates the entities that we control as well as any variable interest entity where we are the primary beneficiary. Under the VIE model, the Company consolidates an entity when it has control to direct the activities of the VIE and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. Under the voting model, the Company consolidates an entity when it controls the entity through ownership of a majority voting interest.

UDR's joint ventures and partnerships are funded with a combination of debt and equity. Our losses are typically limited to our investment and except as noted below, the Company does not guarantee any debt, capital payout or other obligations associated with our joint ventures and partnerships.

Consolidated joint venture

The Company previously held a preferred equity investment in a joint venture that owned a 173 apartment home community located in Oakland, California. In 2023, the joint venture was deemed to be a VIE and the Company concluded that it was the primary beneficiary of the VIE, and therefore began consolidating the joint venture. In January

2024, the Company took title to the developer's equity interest in the joint venture resulting in it being a wholly-owned community. (See Note 3, *Real Estate Owned* for more information).

Unconsolidated joint ventures and partnerships

The Company recognizes earnings or losses from our investments in unconsolidated joint ventures and partnerships consisting of our proportionate share of the net earnings or losses of the joint ventures and partnerships. In addition, we may earn fees for providing management services for the communities held by the unconsolidated joint ventures and partnerships.

The following table summarizes the Company's investment in and advances to unconsolidated joint ventures and partnerships, net, which are accounted for under the equity method of accounting as of September 30, 2024 and December 31, 2023 *(dollars in thousands)*:

Joint Ventures	Number of Operating Communities September 30, 2024	Number of Apartment Homes September 30, 2024	UDR's Weighted Average Ownership Interest September 30, 2024	UDR's Weighted Average Ownership Interest December 31, 2023	Investment at September 30, 2024	Investment at December 31, 2023	Income/(loss) from investments Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Operating:										
UDR/MetLife (a)	13	2,834	**50.2 %**	50.2 %	**$ 208,882**	$ 225,195	**$ (2,050)**	$ (1,455)	**$ (5,304)**	$ (3,930)
UDR/LaSalle	5	1,590	**51.0 %**	51.0 %	**271,927**	286,723	**(1,311)**	(1,647)	**(6,982)**	(1,689)
Total Joint Ventures	18	4,424			**$ 480,809**	$ 511,918	**$ (3,361)**	$ (3,102)	**$ (12,286)**	$ (5,619)

Debt and Preferred Equity Program and Real Estate Technology Investments (b)	Number of Communities September 30, 2024	Apartment Homes September 30, 2024	Weighted Average Rate	Years To Maturity	UDR Commitment (c)	Investment at September 30, 2024	Investment at December 31, 2023	Income/(loss) from investments Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Preferred equity investments:											
Operating	27	6,436	9.6 %	3.1	$ 364,209	**$ 424,104**	$ 387,771	**$ 988**	$ 9,266	**$ 17,587**	$ 26,814
Real estate technology and sustainability investments:											
Real estate technology and sustainability investments	N/A	N/A	N/A	N/A	$ 86,000	**52,284**	44,382	**493**	415	**5,950**	534
Total Debt and Preferred Equity Program and Real Estate Technology and Sustainability Investments						**476,388**	432,153	**1,481**	9,681	**23,537**	27,348
Sold joint ventures and other investments						**—**	—	**—**	(1,071)	**—**	3,183
Total investment in and advances to unconsolidated joint ventures, net (a)						**$ 957,197**	$ 944,071	**$ (1,880)**	$ 5,508	**$ 11,251**	$ 24,912

(a) As of September 30, 2024 and December 31, 2023, the Company's negative investment in one UDR/MetLife community of $9.0 million and $8.9 million, respectively, is recorded in *Accounts payable, accrued expenses, and other liabilities* on the Consolidated Balance Sheets.

(b) The Debt and Preferred Equity Program (previously referred to as the Developer Capital Program) is the program through which the Company makes investments, including preferred equity investments, first mortgage loans, mezzanine loans (recorded in *Notes receivable, net* on the Consolidated Balance Sheets) or other structured investments that may receive a fixed yield on the investment and may include provisions pursuant to which the Company participates in the increase in value of the property upon monetization of the applicable property. At September 30, 2024, our preferred equity investment portfolio consisted of 27 communities located in various markets, consisting of 6,436 operating apartment homes. In addition, the Company's preferred equity investments include three investments that receive a variable percentage of the value created from the project upon a capital or liquidating event. During the nine months ended September 30, 2024, the Company entered into four new preferred equity investments and no preferred equity investments were redeemed.

In July 2024, the Company received a $17.2 million partial paydown on one of its operating preferred equity investments. In conjunction with the paydown, the Company's remaining $50.0 million preferred equity investment will earn a preferred return of 11.0% per annum.

In July 2024 and August 2024, the Company entered into four joint venture agreements with an unaffiliated joint

venture partner to operate four operating communities with a total of 818 apartment homes located in Portland, Oregon. The Company's combined preferred equity investment of $35.0 million earns a preferred return of 10.75% per annum. The unaffiliated joint venture partner is the managing member of the joint ventures. The Company has concluded that it does not control the joint ventures and accounts for its investments under the equity method of accounting.

In September 2024, the Company made a $31.1 million secured mortgage loan to a joint venture, in which the Company also owns a preferred equity investment. The joint venture used the proceeds of the loan to repay its senior construction loan. The loan to the joint venture has an interest rate of SOFR plus 300 basis points and a maturity date in September 2027. (See Note 2, *Significant Accounting Policies* for further discussion.) In addition, the Company recorded an $8.1 million non-cash impairment loss on its preferred equity investment (recorded in *Income/(loss) from unconsolidated entities* on the Consolidated Statements of Operations) due to a decrease in the value of the operating community that it deemed to be other-than-temporary.

(c) Represents UDR's maximum funding commitment only and therefore excludes other activity such as income from investments.

As of September 30, 2024 and December 31, 2023, the Company had deferred fees of $7.2 million and $7.6 million, respectively, which will be recognized through earnings over the weighted average life of the related properties, upon the disposition of the properties to a third party, or upon completion of certain development obligations.

The Company recognized management fees of $2.1 million and $1.8 million for the three months ended September 30, 2024 and 2023, respectively, and $6.0 million and $4.5 million for the nine months ended September 30, 2024 and 2023, respectively, for management of the communities held by the joint ventures and partnerships. The management fees are included in *Joint venture management and other fees* on the Consolidated Statements of Operations.

The Company may, in the future, make additional capital contributions to certain of our joint ventures and partnerships should additional capital contributions be necessary to fund acquisitions or operations.

We consider various factors to determine if a decrease in the value of our *Investment in and advances to unconsolidated joint ventures, net* is other-than-temporary. These factors include, but are not limited to, age of the venture, our intent and ability to retain our investment in the entity, the financial condition and long-term prospects of the entity, and the relationships with the other joint venture partners and its lenders. Based on the significance of the unobservable inputs, we classify these fair value measurements within Level 3 of the valuation hierarchy. The Company did not incur any other-than-temporary impairments in the value of its investments in unconsolidated joint ventures during the three and nine months ended September 30, 2024 and 2023, other than the one preferred equity investment discussed in footnote (b) above.

Combined summary balance sheets relating to the unconsolidated joint ventures and partnerships (not just our proportionate share) are presented below as of September 30, 2024 and December 31, 2023 (*dollars in thousands*):

	September 30, 2024	December 31, 2023
Total real estate, net	**$ 3,137,069**	$ 3,158,057
Investments, at fair value	**322,637**	257,832
Cash and cash equivalents	**62,106**	61,670
Other assets	**139,898**	146,976
Total assets	**$ 3,661,710**	$ 3,624,535
Third party debt, net	**$ 2,049,081**	$ 2,012,816
Accounts payable and accrued liabilities	**172,656**	171,502
Total liabilities	**2,221,737**	2,184,318
Total equity	**$ 1,439,973**	$ 1,440,217

UDR, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

SEPTEMBER 30, 2024

Combined summary financial information relating to the unconsolidated joint ventures' and partnerships' operations (not just our proportionate share) is presented below for the three and nine months ended September 30, 2024 and 2023 (*dollars in thousands*):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Total revenues	**$ 80,793**	$ 70,375	**$ 235,062**	$ 194,752
Property operating expenses	**38,264**	32,268	**108,992**	86,779
Real estate depreciation and amortization	**37,412**	34,874	**112,465**	84,907
Operating income/(loss)	**5,117**	3,233	**13,605**	23,066
Interest expense	**(29,415)**	(18,138)	**(79,523)**	(65,202)
Net unrealized/realized gain/(loss) on held investments	**3,530**	13,580	**36,279**	17,106
Other income/(loss)	**(24)**	(1,234)	**(3,372)**	(236)
Net income/(loss)	**$ (20,792)**	$ (2,559)	**$ (33,011)**	$ (25,266)

6. LEASES

Lessee - Ground Leases

UDR has six communities that are subject to ground leases, under which UDR is the lessee, that expire between 2043 and 2103, inclusive of extension options we are reasonably certain will be exercised. All of these leases are classified as operating leases through the lease term expiration based on our election of the practical expedient provided by the leasing standard. Rental expense for lease payments related to operating leases is recognized on a straight-line basis over the remaining lease term. We currently do not hold any finance leases. The Company also elected the short-term lease exception provided by the leasing standard and therefore only recognizes right-of-use assets and lease liabilities for leases with a term greater than one year. No leases qualified for the short-term lease exception during the three and nine months ended September 30, 2024 and 2023.

As of September 30, 2024 and December 31, 2023, the *Operating lease right-of-use assets* were $187.9 million and $190.6 million, respectively, and the *Operating lease liabilities* were $183.2 million and $185.8 million, respectively, on our Consolidated Balance Sheets related to our ground leases. The value of the *Operating lease right-of-use assets* exceeds the value of the *Operating lease liabilities* due to prepaid lease payments. The calculation of these amounts includes minimum lease payments over the remaining lease term (described further in the table below). Variable lease payments are excluded from the right-of-use assets and lease liabilities and are recognized in earnings in the period in which the obligation for those payments is incurred.

As the discount rate implicit in the leases was not readily determinable, we determined the discount rate for these leases utilizing the Company's incremental borrowing rate at a portfolio level, adjusted for the remaining lease term, and the form of underlying collateral.

The weighted average remaining lease term for these leases was 41.5 years and 42.0 years at September 30, 2024 and December 31, 2023, respectively, and the weighted average discount rate was 5.0% at both September 30, 2024 and December 31, 2023.

Future minimum lease payments and total operating lease liabilities from our ground leases as of September 30, 2024 are as follows *(dollars in thousands):*

	Ground Leases
2024	$ 3,111
2025	12,442
2026	12,442
2027	12,442
2028	12,442
Thereafter	405,452
Total future minimum lease payments (undiscounted)	458,331
Difference between future undiscounted cash flows and discounted cash flows	(275,150)
Total operating lease liabilities (discounted)	$ 183,181

For purposes of recognizing our ground lease contracts, the Company uses the minimum lease payments, if stated in the agreement. For ground lease agreements where there is a rent reset provision based on a change in an index or a rate (i.e., changes in fair market rental rates or changes in the consumer price index) but that does not include a specified minimum lease payment, the Company uses the current rent over the remainder of the lease term. If there is a contingency upon which some or all of the variable lease payments that will be paid over the remainder of the lease term are based, which is resolved such that those payments now meet the definition of lease payments, the Company will remeasure the right-of-use asset and lease liability on the reset date.

The components of operating lease expenses were as follows *(dollars in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Lease expense:				
Contractual lease expense	$ 3,331	$ 3,293	$ 10,031	$ 9,877
Variable lease expense (a)	47	42	130	103
Total operating lease expense (b)(c)	$ 3,378	$ 3,335	$ 10,161	$ 9,980

(a) Variable lease expense includes adjustments such as changes in the consumer price index and payments based on a percentage of a community's revenue.
(b) Lease expense is reported within the line item *Other operating expenses* on the Consolidated Statements of Operations.
(c) For the nine months ended September 30, 2024, *Operating lease right-of-use assets* and *Operating lease liabilities* amortized by $2.7 million and $2.7 million, respectively. For the nine months ended September 30, 2023, *Operating lease right-of-use assets* and *Operating lease liabilities* amortized by $2.6 million and $2.5 million, respectively. Due to the net impact of the amortization, the Company recorded less than $0.1 million and less than $0.1 million of total operating lease expense during the three months ended September 30, 2024 and 2023, respectively, and $0.1 million and $0.1 million of total operating lease expense during the nine months ended September 30, 2024 and 2023, respectively.

Lessor - Apartment Home, Retail and Commercial Space Leases

UDR's communities and retail and commercial space are leased to tenants under operating leases. As of September 30, 2024, our apartment home leases generally have initial terms of 12 months or less. As of September 30, 2024, our retail and commercial space leases generally have initial terms of between 5 and 15 years and represent approximately 1% to 2% of our total lease revenue. Our apartment home leases are generally renewable at the end of the lease term, subject to potential changes in rental rates, and our retail and commercial space leases generally have renewal options, subject to associated increases in rental rates due to market based or fixed price renewal options and certain other conditions. (See Note 14, *Reportable Segments* for further discussion around our major revenue streams and disaggregation of our revenue.)

Future minimum lease payments from our retail and commercial leases as of September 30, 2024 are as follows *(dollars in thousands):*

	Retail and Commercial Leases
2024	$ 6,572
2025	25,795
2026	23,280
2027	19,640
2028	16,839
Thereafter	64,476
Total future minimum lease payments (a)	$ 156,602

(a) We have excluded our apartment home leases from this table as our apartment home leases generally have initial terms of 12 months or less.

Certain of our leases with retail and commercial tenants provide for the payment by the lessee of additional variable rent based on a percentage of the tenant's revenue. The amounts shown in the table above do not include these variable percentage rents. The Company recorded variable percentage rents of $0.1 million and $0.2 million for the three months ended September 30, 2024 and 2023, respectively, and $0.9 million and $1.0 million during the nine months ended September 30, 2024 and 2023, respectively.

7. SECURED AND UNSECURED DEBT, NET

The following is a summary of our secured and unsecured debt at September 30, 2024 and December 31, 2023 (*dollars in thousands*):

	Principal Outstanding		As of September 30, 2024		
	September 30, 2024	December 31, 2023	Weighted Average Interest Rate	Weighted Average Years to Maturity	Number of Communities Encumbered
Secured Debt:					
Fixed Rate Debt					
Mortgage notes payable (a)	**$ 1,117,138**	$ 1,213,751	3.49 %	4.3	19
Deferred financing costs and other non-cash adjustments (b)	**(3,405)**	(3,009)			
Total fixed rate secured debt, net	**1,113,733**	1,210,742	3.50 %	4.3	19
Variable Rate Debt					
Mortgage notes payable (c)	**—**	40,017	— %	—	—
Tax-exempt secured notes payable (d)	**27,000**	27,000	3.96 %	7.5	1
Deferred financing costs	**(41)**	(46)			
Total variable rate secured debt, net	**26,959**	66,971	3.99 %	7.5	1
Total Secured Debt, net	**1,140,692**	1,277,713	3.51 %	4.4	20
Unsecured Debt:					
Variable Rate Debt					
Borrowings outstanding under unsecured credit facility due August 2028 (e) (o)	**—**	—	— %	3.9	
Borrowings outstanding under unsecured commercial paper program due October 2024 (f) (o)	**290,000**	408,075	5.03 %	0.1	
Borrowings outstanding under unsecured working capital credit facility due January 2025 (g)	**46,783**	4,593	5.71 %	0.3	
Term Loan due January 2027 (e) (o)	**175,000**	—	6.18 %	2.3	
Fixed Rate Debt					
Term Loan due January 2027 (e) (o)	**175,000**	350,000	1.45 %	2.3	
8.50% Debentures due September 2024	**—**	15,644	— %	—	
2.95% Medium-Term Notes due September 2026 (h) (o)	**300,000**	300,000	2.89 %	1.9	
3.50% Medium-Term Notes due July 2027 (net of discounts of $194 and $247, respectively) (i) (o)	**299,806**	299,753	4.03 %	2.8	
3.50% Medium-Term Notes due January 2028 (net of discounts of $390 and $479, respectively) (o)	**299,610**	299,521	3.50 %	3.3	
4.40% Medium-Term Notes due January 2029 (net of discounts of $3 and $3, respectively) (j) (o)	**299,997**	299,997	4.27 %	4.3	
3.20% Medium-Term Notes due January 2030 (net of premiums of $7,264 and $8,294, respectively) (k) (o)	**607,264**	608,294	3.32 %	5.3	
3.00% Medium-Term Notes due August 2031 (net of premiums of $8,213 and $9,109, respectively) (l) (o)	**608,213**	609,109	3.01 %	6.9	
2.10% Medium-Term Notes due August 2032 (net of discounts of $276 and $303, respectively) (o)	**399,724**	399,697	2.10 %	7.8	
1.90% Medium-Term Notes due March 2033 (net of discounts of $1,019 and $1,110, respectively) (o)	**348,981**	348,890	1.90 %	8.5	
2.10% Medium-Term Notes due June 2033 (net of discounts of $867 and $941, respectively) (o)	**299,133**	299,059	2.10 %	8.7	
5.125% Medium-Term Notes due September 2034 (net of discounts of $3,030 and $0, respectively) (m) (o)	**296,970**	—	4.95 %	9.9	
3.10% Medium-Term Notes due November 2034 (net of discounts of $890 and $956, respectively) (n) (o)	**299,110**	299,044	3.13 %	10.1	
Other	**—**	2			
Deferred financing costs	**(21,020)**	(20,682)			
Total Unsecured Debt, net	**4,724,571**	4,520,996	3.41 %	5.6	
Total Debt, net	**$ 5,865,263**	$ 5,798,709	3.43 %	5.4	

For purposes of classification of the above table, variable rate debt with a derivative financial instrument designated as a cash flow hedge is deemed as fixed rate debt due to the Company having effectively established a fixed interest rate for the underlying debt instrument.

Our secured debt instruments generally feature either monthly interest and principal or monthly interest-only payments with balloon payments due at maturity. As of September 30, 2024, secured debt encumbered approximately 13% of UDR's total real estate owned based upon gross book value (approximately 87% of UDR's real estate owned based on gross book value is unencumbered).

(a) At September 30, 2024, fixed rate mortgage notes payable are generally due in monthly installments of principal and interest and mature at various dates from July 2025 through February 2031 and carry interest rates ranging from 2.62% to 4.39%.

In July 2024, the Company repaid a $94.1 million fixed rate mortgage at maturity with borrowings from the Company's unsecured commercial paper program.

The Company will from time to time acquire properties subject to fixed rate debt instruments. In those situations, the Company records the debt at its estimated fair value and amortizes any difference between the fair value and par value to interest expense over the term of the underlying debt instrument.

(b) During the three months ended September 30, 2024 and 2023, the Company had $0.2 million and $0.8 million, respectively, and during the nine months ended September 30, 2024 and 2023, the Company had $1.0 million and $3.0 million, respectively, of amortization of the fair market adjustment of debt assumed in the acquisition of properties inclusive of its fixed rate mortgage notes payable, which was included in *Interest expense* on the Consolidated Statements of Operations. The unamortized fair market adjustment was a net premium of $0.4 million and $1.5 million at September 30, 2024 and December 31, 2023, respectively. The change in net premium was primarily due to the assumption of fixed rate mortgages discussed in footnote (a) above.

(c) During the nine months ended September 30, 2024, the Company prepaid a variable rate mortgage with an outstanding balance of $40.0 million and an interest rate of 8.31% at the time of the payoff.

(d) The variable rate mortgage note payable of $27.0 million secures a tax-exempt housing bond issue that matures in March 2032. Interest on this note is payable in monthly installments. As of September 30, 2024, the variable interest rate on the mortgage note was 3.96%.

(e) The Company has a $1.3 billion unsecured revolving credit facility (the "Revolving Credit Facility") and a $350.0 million unsecured term loan (the "Term Loan"). The credit agreement for these facilities (the "Credit Agreement") allows the total commitments under the Revolving Credit Facility and the total borrowings under the Term Loan to be increased to an aggregate maximum amount of up to $2.5 billion, subject to certain conditions, including obtaining commitments from one or more lenders. In August 2024, the Company amended the Revolving Credit Facility to extend the maturity date to August 31, 2028, with two six-month extension options. The Revolving Credit Facility was previously set to mature on January 31, 2026, with two six-month extension options, subject to certain conditions. The Term Loan has a scheduled maturity date of January 31, 2027. In August 2024, the Company amended the Term Loan to include a twelve-month extension option, subject to certain conditions.

Based on the Company's current credit rating, the Revolving Credit Facility has an interest rate equal to Adjusted SOFR plus a margin of 77.5 basis points and a facility fee of 15 basis points, and the Term Loan has an interest rate equal to Adjusted SOFR plus a margin of 85.0 basis points. Depending on the Company's credit rating, the margin under the Revolving Credit Facility ranges from 70 to 140 basis points, the facility fee ranges from 10 to 30 basis points, and the margin under the Term Loan ranges from 75 to 160 basis points. Further, as amended, the Credit Agreement includes sustainability adjustments pursuant to which the applicable margin for the Term Loan may be reduced by up to two basis points contingent upon the Company receiving green building certifications. In addition, the Credit Agreement, as amended, allows for the Company in consultation with the sustainability structuring agent to propose key performance indicators with respect to certain environmental, social, and governance goals of the Company, and thresholds or targets with respect thereto, and a related amendment to the Credit Agreement, that if entered into may

allow a change in the applicable margin for the Revolving Credit Facility of up to four basis points and a change in the applicable facility fee of up to one basis point.

In August 2021, the Company entered into two interest rate swaps totaling $175.0 million of notional value, which became effective in July 2022, to hedge against interest rate risk on a portion of the Term Loan debt until July 2025. $175.0 million of the Term Loan debt has a weighted average interest rate, inclusive of the impact of interest rate swaps, of 1.45% until July 2025.

The Credit Agreement contains customary representations and warranties and financial and other affirmative and negative covenants. The Credit Agreement also includes customary events of default, in certain cases subject to customary periods to cure. The occurrence of an event of default, following the applicable cure period, would permit the lenders to, among other things, declare the unpaid principal, accrued and unpaid interest and all other amounts payable under the Credit Agreement to be immediately due and payable.

The following is a summary of short-term bank borrowings under the Revolving Credit Facility at September 30, 2024 and December 31, 2023 *(dollars in thousands):*

	September 30, 2024	December 31, 2023
Total revolving credit facility	**$ 1,300,000**	$ 1,300,000
Borrowings outstanding at end of period (1)	**—**	—
Weighted average daily borrowings during the period ended	**—**	2,055
Maximum daily borrowings during the period ended	**—**	250,000
Weighted average interest rate during the period ended	**— %**	5.6 %
Interest rate at end of the period	**— %**	— %

(1) Excludes $3.8 million and $2.3 million of letters of credit at September 30, 2024 and December 31, 2023, respectively.

(f) The Company has an unsecured commercial paper program. Under the terms of the program, the Company may issue unsecured commercial paper up to a maximum aggregate amount outstanding of $700.0 million. The notes are sold under customary terms in the United States commercial paper market and rank pari passu with all of the Company's other unsecured indebtedness. The notes are fully and unconditionally guaranteed by the Operating Partnership.

The following is a summary of short-term bank borrowings under the unsecured commercial paper program at September 30, 2024 and December 31, 2023 *(dollars in thousands):*

	September 30, 2024	December 31, 2023
Total unsecured commercial paper program	**$ 700,000**	$ 700,000
Borrowings outstanding at end of period	**290,000**	408,075
Weighted average daily borrowings during the period ended	**416,215**	384,068
Maximum daily borrowings during the period ended	**645,000**	505,000
Weighted average interest rate during the period ended	**5.5 %**	5.4 %
Interest rate at end of the period	**5.0 %**	5.7 %

(g) The Company has a working capital credit facility, which provides for a $75.0 million unsecured revolving credit facility (the "Working Capital Credit Facility") with a scheduled maturity date of January 12, 2025, with a one-year extension option. Based on the Company's current credit rating, the Working Capital Credit Facility has an interest rate equal to Adjusted SOFR plus a margin of 77.5 basis points. Depending on the Company's credit rating, the margin ranges from 70 to 140 basis points.

The following is a summary of short-term bank borrowings under the Working Capital Credit Facility at September 30, 2024 and December 31, 2023 *(dollars in thousands):*

	September 30, 2024	December 31, 2023
Total working capital credit facility	**$ 75,000**	$ 75,000
Borrowings outstanding at end of period	**46,783**	4,593
Weighted average daily borrowings during the period ended	**14,810**	15,829
Maximum daily borrowings during the period ended	**62,077**	57,107
Weighted average interest rate during the period ended	**6.2 %**	5.9 %
Interest rate at end of the period	**5.7 %**	6.3 %

(h) The Company previously entered into forward starting interest rate swaps to hedge against interest rate risk on $100.0 million of this debt. The all-in weighted average interest rate, inclusive of the impact of these interest rate swaps, was 2.89%

(i) The Company previously entered into forward starting interest rate swaps to hedge against interest rate risk on $200.0 million of this debt. The all-in weighted average interest rate, inclusive of the impact of these interest rate swaps, was 4.03%.

(j) The Company previously entered into forward starting interest rate swaps to hedge against interest rate risk on $150.0 million of the initial $300.0 million issued. The all-in weighted average interest rate, inclusive of the impact of these interest rate swaps, was 4.27%.

(k) The Company previously entered into forward starting interest rate swaps and treasury lock to hedge against the interest rate risk of this debt. The all-in weighted average interest rate, inclusive of the impact of the forward starting swaps and treasury locks, was 3.32%.

(l) The Company entered into treasury lock agreements to hedge against interest rate risk on $250.0 million of the $600.0 million aggregate principal amount. The all-in weighted average interest rate, inclusive of the impact of the treasury locks, was 3.01%.

(m) In August 2024, the Company issued $300.0 million of 5.125% senior medium-term notes due September 1, 2034. Interest is payable semi-annually in arrears on March 1 and September 1 of each year, beginning on March 1, 2025. The notes were priced at 98.977% of the principal amount of the notes. The Company used the net proceeds to pay down outstanding indebtedness under its commercial paper program. The Company entered into and settled treasury lock arrangements to hedge against all interest rate risk of the debt. The all-in weighted average interest rate, inclusive of the impact of the treasury locks, was 4.95%.

(n) The Company previously entered into forward starting interest rate swaps to hedge against the interest rate risk of this debt. The all-in weighted average interest rate, inclusive of the impact of these interest rate swaps, was 3.13%.

(o) The Operating Partnership is the guarantor of this debt.

The aggregate maturities, including amortizing principal payments on secured and unsecured debt, of total debt for the next ten calendar years subsequent to September 30, 2024 are as follows *(dollars in thousands):*

Year	Total Fixed Secured Debt	Total Variable Secured Debt	Total Secured Debt	Total Unsecured Debt	Total Debt
2024	$ 1,340	$ —	$ 1,340	$ 290,000	$ 291,340
2025	178,323	—	178,323	46,783	225,106
2026	56,672	—	56,672	300,000	356,672
2027	6,939	—	6,939	650,000	656,939
2028	166,526	—	166,526	300,000	466,526
2029	315,811	—	315,811	300,000	615,811
2030	230,597	—	230,597	600,000	830,597
2031	160,930	—	160,930	600,000	760,930
2032	—	27,000	27,000	400,000	427,000
2033	—		—	650,000	650,000
Thereafter	—	—	—	600,000	600,000
Subtotal	1,117,138	27,000	1,144,138	4,736,783	5,880,921
Non-cash (a)	(3,405)	(41)	(3,446)	(12,212)	(15,658)
Total	$ 1,113,733	$ 26,959	$ 1,140,692	$ 4,724,571	$ 5,865,263

(a) Includes the unamortized balance of fair market value adjustments, premiums/discounts and deferred financing costs. The Company amortized $1.2 million and $1.0 million during the three months ended September 30, 2024 and 2023, respectively, and $3.7 million and $2.9 million during the nine months ended September 30, 2024 and 2023, respectively, of deferred financing costs into *Interest expense.*

We were in compliance with the covenants of our debt instruments at September 30, 2024.

8. INCOME/(LOSS) PER SHARE

The following table sets forth the computation of basic and diluted income/(loss) per share for the periods presented *(dollars and shares in thousands, except per share data):*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Numerator for income/(loss) per share:				
Net income/(loss)	**$ 24,077**	$ 35,419	**$ 101,400**	$ 438,527
Net (income)/loss attributable to redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership	**(1,574)**	(2,554)	**(6,736)**	(27,137)
Net (income)/loss attributable to noncontrolling interests	**94**	(7)	**(35)**	(23)
Net income/(loss) attributable to UDR, Inc.	**22,597**	32,858	**94,629**	411,367
Distributions to preferred stockholders — Series E (Convertible)	**(1,197)**	(1,221)	**(3,638)**	(3,626)
Income/(loss) attributable to common stockholders - basic and diluted	**$ 21,400**	$ 31,637	**$ 90,991**	$ 407,741
Denominator for income/(loss) per share:				
Weighted average common shares outstanding	**329,788**	329,130	**329,488**	329,207
Unvested restricted stock awards	**(367)**	(370)	**(387)**	(372)
Denominator for basic income/(loss) per share	**329,421**	328,760	**329,101**	328,835
Incremental shares issuable from assumed conversion of unvested LTIP Units, conversion of Series E preferred stock, performance units and unvested restricted stock	**1,136**	441	**654**	448
Denominator for diluted income/(loss) per share	**330,557**	329,201	**329,755**	329,283
Income/(loss) per weighted average common share:				
Basic	**$ 0.06**	$ 0.10	**$ 0.28**	$ 1.24
Diluted	**$ 0.06**	$ 0.10	**$ 0.28**	$ 1.24

Basic income/(loss) per common share is computed based upon the weighted average number of common shares outstanding. Diluted income/(loss) per common share is computed based upon the weighted average number of common shares outstanding plus the common shares issuable from the assumed conversion of the OP Units and DownREIT Units, convertible preferred stock, stock options, unvested long-term incentive plan units ("LTIP Units"), performance units, unvested restricted stock and continuous equity program forward sales agreements. Only those instruments having a dilutive impact on our basic income/(loss) per share are included in diluted income/(loss) per share during the periods. For the three and nine months ended September 30, 2024 and 2023, the effect of the conversion of the OP Units, DownREIT Units and the Company's Series E preferred stock was not dilutive and therefore not included in the above calculation.

In July 2021, the Company entered into an ATM sales agreement under which the Company may offer and sell up to 20.0 million shares of its common stock, from time to time, to or through its sales agents and may enter into separate forward sales agreements to or through its forward purchasers. Upon entering into the ATM sales agreement, the Company simultaneously terminated the sales agreement for its prior at-the-market equity offering program, which was entered into in July 2017. During the three and nine months ended September 30, 2024, the Company did not sell any shares of common stock through its ATM program. As of September 30, 2024, we had 14.0 million shares of common stock available for future issuance under the ATM program.

In connection with any forward sales agreement under the Company's ATM program, the relevant forward purchasers will borrow from third parties and, through the relevant sales agent, acting in its role as forward seller, sell a number of shares of the Company's common stock equal to the number of shares underlying the agreement. The Company does not initially receive any proceeds from any sale of borrowed shares by the forward seller.

For the three and nine months ended September 30, 2024, the Company did not enter into any forward purchase agreements under its continuous equity program.

The following table sets forth the additional shares of common stock outstanding, by equity instrument, if converted to common stock for each of the three and nine months ended September 30, 2024 and 2023 *(in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
OP/DownREIT Units	**23,854**	22,511	**24,198**	21,699
Convertible preferred stock	**2,815**	2,908	**2,858**	2,908
Unvested LTIP Units, performance units, and unvested restricted stock	**1,136**	441	**654**	448

9. NONCONTROLLING INTERESTS

Redeemable Noncontrolling Interests in the Operating Partnership and DownREIT Partnership

Interests in the Operating Partnership and the DownREIT Partnership held by limited partners are represented by OP Units and DownREIT Units, respectively. The income is allocated to holders of OP Units/DownREIT Units based upon net income attributable to common stockholders and the weighted average number of OP Units/DownREIT Units outstanding to total common shares plus OP Units/DownREIT Units outstanding during the period. Capital contributions, distributions, and profits and losses are allocated to noncontrolling interests in accordance with the terms of the partnership agreements of the Operating Partnership and the DownREIT Partnership.

Limited partners of the Operating Partnership and the DownREIT Partnership have the right to require such partnership to redeem all or a portion of the OP Units/DownREIT Units held by the limited partner at a redemption price equal to and in the form of the Cash Amount (as defined in the partnership agreement of the Operating Partnership or the DownREIT Partnership, as applicable), provided that such OP Units/DownREIT Units have been outstanding for at least one year, subject to certain exceptions. UDR, as the general partner of the Operating Partnership and the DownREIT Partnership may, in its sole discretion, purchase the OP Units/DownREIT Units by paying to the limited partner either the Cash Amount or the REIT Share Amount (generally one share of common stock of the Company for each OP Unit/DownREIT Unit), as defined in the partnership agreement of the Operating Partnership or the DownREIT Partnership, as applicable. Accordingly, the Company records the OP Units/DownREIT Units outside of permanent equity and reports the OP Units/DownREIT Units at their redemption value using the Company’s stock price at each balance sheet date.

The following table sets forth redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership for the following period (*dollars in thousands*):

Redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership at December 31, 2023	**$ 961,087**
Mark-to-market adjustment to redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership	**180,086**
Conversion of OP Units/DownREIT Units to Common Stock or Cash	**(28,392)**
Net income/(loss) attributable to redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership	**6,736**
Distributions to redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership	**(42,234)**
Redeemable Long-Term and Short-Term Incentive Plan Units	**21,700**
Allocation of other comprehensive income/(loss)	**4**
Redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership at September 30, 2024	**$ 1,098,987**

Noncontrolling Interests

Noncontrolling interests represent interests of unrelated partners in certain consolidated affiliates, and are presented as part of equity on the Consolidated Balance Sheets since these interests are not redeemable. *Net (income)/loss attributable to noncontrolling interests* was $0.1 million and less than $(0.1) million during the three

months ended September 30, 2024 and 2023, respectively and less than $(0.1) million and less than $(0.1) million during the nine months ended September 30, 2024 and 2023, respectively.

10. FAIR VALUE OF DERIVATIVES AND FINANCIAL INSTRUMENTS

Fair value is based on the price that would be received to sell an asset or the exit price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level valuation hierarchy prioritizes observable and unobservable inputs used to measure fair value. The fair value hierarchy consists of three broad levels, which are described below:

- Level 1 — Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.
- Level 2 — Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The estimated fair values of the Company's financial instruments either recorded or disclosed on a recurring basis as of September 30, 2024 and December 31, 2023, are summarized as follows *(dollars in thousands)*:

			Fair Value at September 30, 2024, Using		
	Total Carrying Amount in Statement of Financial Position at September 30, 2024 (a)	Fair Value Estimate at September 30, 2024	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Description:					
Notes receivable, net (b)	$ 280,006	$ 272,583	$ —	$ —	$ 272,583
Equity securities (c)	1,267	1,267	1,267	—	—
Derivatives - Interest rate contracts (d)	4,583	4,583	—	4,583	—
Total assets	$ 285,856	$ 278,433	$ 1,267	$ 4,583	$ 272,583
Secured debt instruments - fixed rate: (e)					
Mortgage notes payable	$ 1,117,576	$ 1,067,422	$ —	$ —	$ 1,067,422
Secured debt instruments - variable rate: (e)					
Tax-exempt secured notes payable	27,000	27,000	—	—	27,000
Unsecured debt instruments: (e)					
Working capital credit facility	46,783	46,783	—	—	46,783
Commercial paper program	290,000	290,000	—	—	290,000
Unsecured notes	4,408,808	3,998,555	—	—	3,998,555
Total liabilities	$ 5,890,167	$ 5,429,760	$ —	$ —	$ 5,429,760
Redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership (f)	$ 1,098,987	$ 1,098,987	$ —	$ 1,098,987	$ —

UDR, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
SEPTEMBER 30, 2024

			Fair Value at December 31, 2023, Using		
	Total Carrying Amount in Statement of Financial Position at December 31, 2023 (a)	Fair Value Estimate at December 31, 2023	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Description:					
Notes receivable, net (b)	$ 228,825	$ 222,755	$ —	$ —	$ 222,755
Equity securities (c)	7,210	7,210	7,210	—	—
Derivatives - Interest rate contracts (d)	10,103	10,103	—	10,103	—
Total assets	$ 246,138	$ 240,068	$ 7,210	$ 10,103	$ 222,755
Secured debt instruments - fixed rate: (e)					
Mortgage notes payable	$ 1,215,228	$ 1,124,140	$ —	$ —	$ 1,124,140
Secured debt instruments - variable rate: (e)					
Mortgage notes payable	40,017	40,017	—	—	40,017
Tax-exempt secured notes payable	27,000	27,000	—	—	27,000
Unsecured debt instruments: (e)					
Working capital credit facility	4,593	4,593	—	—	4,593
Commercial paper program	408,075	408,075	—	—	408,075
Unsecured notes	4,129,010	3,611,697	—	—	3,611,697
Total liabilities	$ 5,823,923	$ 5,215,522	$ —	$ —	$ 5,215,522
Redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership (f)	$ 961,087	$ 961,087	$ —	$ 961,087	$ —

(a) Certain balances include fair market value adjustments and exclude deferred financing costs.

(b) See Note 2, *Significant Accounting Policies*.

(c) The Company holds a direct investment in a publicly traded real estate technology company, SmartRent. The investment is valued at the market price on September 30, 2024 and December 31, 2023. The Company currently classifies the investment as Level 1 in the fair value hierarchy.

(d) See Note 11, *Derivatives and Hedging Activity*.

(e) See Note 7, *Secured and Unsecured Debt, Net*.

(f) See Note 9, *Noncontrolling Interests.*

There were no transfers into or out of any of the levels of the fair value hierarchy during the nine months ended September 30, 2024.

Financial Instruments Carried at Fair Value

The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. The fair values of interest rate swaps and caps are determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rise above the strike rate of the caps. The variable interest rates used in the calculation of projected receipts on the cap are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities.

The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of

its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of September 30, 2024 and December 31, 2023, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy. In conjunction with the FASB's fair value measurement guidance, the Company made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio.

Redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership have a redemption feature and are marked to their redemption value. The redemption value is based on the fair value of the Company's common stock at the redemption date, and therefore, is calculated based on the fair value of the Company's common stock at the balance sheet date. Since the valuation is based on observable inputs such as quoted prices for similar instruments in active markets, redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership are classified as Level 2.

Financial Instruments Not Carried at Fair Value

At September 30, 2024 and December 31, 2023, the fair values of cash and cash equivalents, restricted cash, accounts receivable, prepaids, real estate taxes payable, accrued interest payable, security deposits and prepaid rent, distributions payable and accounts payable approximated their carrying values because of the short term nature of these instruments. The estimated fair values of other financial instruments, which includes notes receivable and debt instruments, are classified in Level 3 of the fair value hierarchy due to the significant unobservable inputs that are utilized in their respective valuations.

11. DERIVATIVES AND HEDGING ACTIVITY

Risk Management Objective of Using Derivatives

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk, primarily by managing the amount, sources, and duration of its debt funding and through the use of derivative financial instruments. Specifically, the Company may enter into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's investments and borrowings.

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps and caps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Interest rate caps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an up-front premium.

The changes in the fair value of derivatives designated and that qualify as cash flow hedges are recorded in *Accumulated other comprehensive income/(loss), net* on the Consolidated Balance Sheets and subsequently reclassified

into earnings in the period that the hedged forecasted transaction affects earnings. During the three and nine months ended September 30, 2024 and 2023, such derivatives were used to hedge the variable cash flows associated with existing variable-rate debt.

Amounts reported in *Accumulated other comprehensive income/(loss), net* on the Consolidated Balance Sheets related to derivatives that will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. Through September 30, 2025, the Company estimates that an additional $3.4 million will be reclassified as a decrease to *Interest expense*.

As of September 30, 2024, the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk (*dollars in thousands*):

Product	Number of Instruments	Notional
Interest rate swaps and caps	3	$ 194,880

During the nine months ended September 30, 2024, the Company entered into and settled three treasury lock arrangements to hedge all the interest rate risk associated with the $300.0 million senior medium-term notes issued in August 2024. This resulted in a deferred gain of $4.1 million which is recorded in *Accumulated other comprehensive income/(loss),* net on the Consolidated Balance Sheets and will be reclassified into earnings over the life of the debt issued.

Derivatives not designated as hedges are not speculative and are used to manage the Company's exposure to interest rate movements and other identified risks but do not meet the strict hedge accounting requirements of GAAP. Changes in the fair value of derivatives not designated in hedging relationships are recorded directly in earnings. As of September 30, 2024, no derivatives not designated as hedges were held by the Company.

Tabular Disclosure of Fair Values of Derivative Instruments on the Consolidated Balance Sheets

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023 (*dollars in thousands*):

	Asset Derivatives (included in *Other assets*) Fair Value at:		Liability Derivatives (included in *Other liabilities*) Fair Value at:	
	September 30, 2024	**December 31, 2023**	**September 30, 2024**	**December 31, 2023**
Derivatives designated as hedging instruments:				
Interest rate products	**$ 4,583**	$ 10,103	**$ —**	$ —

Tabular Disclosure of the Effect of Derivative Instruments on the Consolidated Statements of Operations

The tables below present the effect of the Company's derivative financial instruments on the Consolidated Statements of Operations for the three and nine months ended September 30, 2024 and 2023 (*dollars in thousands*):

Derivatives in Cash Flow Hedging Relationships	*Unrealized holding gain/(loss)* Recognized in OCI		Gain/(Loss) Reclassified from Accumulated OCI into *Interest expense*		Gain/(Loss) Recognized in *Interest expense* (Amount Excluded from Effectiveness Testing)	
	2024	2023	2024	2023	2024	2023
Three Months Ended September 30,						
Interest rate products	**$ (1,768)**	$ 1,314	**$ 1,782**	$ 2,110	**$ —**	$ —
Nine Months Ended September 30,						
Interest rate products	**$ 5,464**	$ 5,336	**$ 5,768**	$ 5,332	**$ —**	$ —

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Total amount of *Interest expense* presented on the Consolidated Statements of Operations	**$ 50,214**	$ 44,664	**$ 146,087**	$ 133,519

Credit-risk-related Contingent Features

The Company has agreements with its derivative counterparties that contain a provision where the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness.

The Company has certain agreements with some of its derivative counterparties that contain a provision where, in the event of default by the Company or the counterparty, the right of setoff may be exercised. Any amount payable to one party by the other party may be reduced by its setoff against any amounts payable by the other party. Events that give rise to default by either party may include, but are not limited to, the failure to pay or deliver payment under the derivative agreement, the failure to comply with or perform under the derivative agreement, bankruptcy, a merger without assumption of the derivative agreement, or in a merger, a surviving entity's creditworthiness is materially weaker than the original party to the derivative agreement.

Tabular Disclosure of Offsetting Derivatives

The Company has elected not to offset derivative positions on the consolidated financial statements. The tables below present the effect on its financial position had the Company made the election to offset its derivative positions as of September 30, 2024 and December 31, 2023 *(dollars in thousands):*

				Gross Amounts Not Offset in the Consolidated Balance Sheets		
Offsetting of Derivative Assets	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Assets Presented in the Consolidated Balance Sheets (a)	Financial Instruments	Cash Collateral Received	Net Amount
September 30, 2024	**$ 4,583**	**$ —**	**$ 4,583**	**$ —**	**$ —**	**$ 4,583**
December 31, 2023	$ 10,103	$ —	$ 10,103	$ —	$ —	$ 10,103

(a) Amounts reconcile to the aggregate fair value of derivative assets in the "Tabular Disclosure of Fair Values of Derivative Instruments on the Consolidated Balance Sheets" located in this footnote.

12. STOCK BASED COMPENSATION

The Company recognized stock based compensation expense, inclusive of awards granted to our non-employee directors, net of capitalization, of $9.2 million and $7.1 million during the three months ended September 30, 2024 and 2023, respectively, and $25.9 million and $22.8 million during the nine months ended September 30, 2024 and 2023, respectively, which are included in *General and Administrative* on the Consolidated Statements of Operations.

13. COMMITMENTS AND CONTINGENCIES

Commitments

The following summarizes the Company's commitments at September 30, 2024 (*dollars in thousands*):

	Number Properties	UDR's Investment (a)	UDR's Remaining Commitment
Real estate commitments			
Wholly-owned — redevelopment (b)	10	$ 59,985	$ 93,055
Other unconsolidated investments:			
Real estate technology and sustainability investments (c)	-	58,972	47,028
Total		$ 118,957	$ 140,083

(a) Represents UDR's investment as of September 30, 2024.

(b) Projects consist of unit renovations and/or renovation of related common area amenities.

(c) As of September 30, 2024, the investments were recorded in either *Investment in and advances to unconsolidated joint ventures, net* or *Other Assets* on the Consolidated Balance Sheets.

Contingencies

Litigation and Legal Matters

The Company is subject to various legal proceedings and claims arising in the ordinary course of business. The Company cannot determine the ultimate liability with respect to such legal proceedings and claims at this time. The Company believes that such liability, to the extent not provided for through insurance or otherwise, will not have a material adverse effect on our financial condition, results of operations or cash flows.

We have been named as a defendant in a number of cases alleging antitrust violations by RealPage, Inc., a vendor providing revenue management software products, and various owners or managers of multifamily housing, which cases have been consolidated in the United States Court for the Middle District of Tennessee with the Second Amended Complaint filed September 7, 2023 and a case with similar allegations that has been filed by the District of Columbia on November 1, 2023 in the Superior Court of the District of Columbia. These cases seek injunctive relief as well as monetary damages. We believe that there are defenses, both factual and legal, to the allegations in such cases and we intend to vigorously defend such suits. We are also aware that governmental investigations regarding antitrust matters in the multifamily industry are occurring and the federal government and various state attorneys general have filed a civil lawsuit against RealPage, Inc. As all of the above proceedings are in the early stages, it is not possible for us to predict the outcome or to estimate the amount of loss, if any, that may be associated with an adverse decision in any of these cases or any case that may be brought based on the investigations. As a result, as of September 30, 2024, there is no liability recorded.

14. REPORTABLE SEGMENTS

GAAP guidance requires that segment disclosures present the measure(s) used by the Chief Operating Decision Maker to decide how to allocate resources and for purposes of assessing such segments' performance. UDR's Chief Operating Decision Maker is comprised of several members of its executive management team who use several generally accepted industry financial measures to assess the performance of the business for our reportable operating segments.

UDR owns and operates multifamily apartment communities that generate rental and other property related income through the leasing of apartment homes to a diverse base of tenants. The primary financial measures for UDR's apartment communities are rental income and net operating income ("NOI"). Rental income represents gross market rent less adjustments for concessions, vacancy loss and bad debt. NOI is defined as rental income less direct property rental

expenses. 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 3.25% of property revenue, and land rent. Property management expense covers costs directly related to consolidated property operations, inclusive of corporate management, regional supervision, accounting and other costs. UDR's Chief Operating Decision Maker utilizes NOI as the key measure of segment profit or loss.

UDR's two reportable segments are *Same-Store Communities* and *Non-Mature Communities/Other*:

- *Same-Store Communities* represent those communities acquired, developed, and stabilized prior to July 1, 2023 (for quarter-to-date comparison) and January 1, 2023 (for year-to-date comparison) and held as of September 30, 2024. A comparison of operating results from the prior year is meaningful as these communities were owned and had stabilized occupancy and operating expenses as of the beginning of the prior period, there is no plan to conduct substantial redevelopment activities, and the community is not classified as held for disposition within the current year. A community is considered to have stabilized occupancy once it achieves 90% occupancy for at least three consecutive months.
- *Non-Mature Communities/Other* represent those communities that do not meet the criteria to be included in *Same-Store Communities*, including, but not limited to, recently acquired, developed and redeveloped communities, and the non-apartment components of mixed use properties.

Management evaluates the performance of each of our apartment communities on a *Same-Store Community* and *Non-Mature Community/Other* basis, as well as individually and geographically. This is consistent with the aggregation criteria under GAAP as each of our apartment communities generally has similar economic characteristics, facilities, services, and tenants. Therefore, the Company's reportable segments have been aggregated by geography in a manner identical to that which is provided to the Chief Operating Decision Maker.

All revenues are from external customers and no single tenant or related group of tenants contributed 10% or more of UDR's total revenues during the three and nine months ended September 30, 2024 and 2023.

The following is a description of the principal streams from which the Company generates its revenue:

Lease Revenue

Lease revenue related to leases is recognized on an accrual basis when due from residents or tenants in accordance with ASC 842, *Leases*. Rental payments are generally due on a monthly basis and recognized on a straight-line basis over the noncancellable lease term because collection of the lease payments was probable at lease commencement, inclusive of any periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option. In addition, in circumstances where a lease incentive is provided to tenants, the incentive is recognized as a reduction of lease revenue on a straight-line basis over the lease term.

Lease revenue also includes all pass-through revenue from retail and residential leases and common area maintenance reimbursements from retail leases. These services represent non-lease components in a contract as the Company transfers a service to the lessee other than the right to use the underlying asset. The Company has elected the practical expedient under the leasing standard to not separate lease and non-lease components from its resident and retail lease contracts as the timing and pattern of revenue recognition for the non-lease component and related lease component are the same and the combined single lease component would be classified as an operating lease.

Other Revenue

Other revenue is generated by services provided by the Company to its retail and residential tenants and other unrelated third parties. Revenue is measured based on consideration specified in contracts with customers. The Company recognizes revenue when it satisfies a performance obligation by providing the services specified in a contract to the customer. These fees are generally recognized as earned.

Joint venture management and other fees

The *Joint venture management and other fees* revenue consists of management fees charged to our equity method joint ventures per the terms of contractual agreements and other fees. Joint venture fee revenue is recognized monthly as the management services are provided and the fees are earned or upon a transaction whereby the Company earns a fee. *Joint venture management and other fees* are not allocable to a specific reportable segment or segments.

UDR, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
SEPTEMBER 30, 2024

The following table details rental income and NOI for UDR's reportable segments for the three and nine months ended September 30, 2024 and 2023, and reconciles NOI to *Net income/(loss) attributable to UDR, Inc.* on the Consolidated Statements of Operations *(dollars in thousands)*:

	Three Months Ended September 30, (a)		Nine Months Ended September 30, (b)	
	2024	**2023**	**2024**	**2023**
Reportable apartment home segment lease revenue				
Same-Store Communities				
West Region	**$ 120,665**	$ 118,801	**$ 355,797**	$ 346,970
Mid-Atlantic Region	**78,211**	76,581	**232,276**	225,504
Northeast Region	**83,353**	81,525	**242,785**	235,412
Southeast Region	**56,177**	57,096	**169,892**	169,668
Southwest Region	**41,128**	42,054	**112,627**	113,564
Non-Mature Communities/Other	**23,772**	18,838	**88,803**	81,424
Total segment and consolidated lease revenue	**$ 403,306**	$ 394,895	**$ 1,202,180**	$ 1,172,542
Reportable apartment home segment other revenue				
Same-Store Communities				
West Region	**$ 3,175**	$ 3,052	**$ 8,970**	$ 8,670
Mid-Atlantic Region	**3,633**	3,379	**10,107**	8,689
Northeast Region	**2,357**	2,154	**6,253**	5,852
Southeast Region	**2,951**	2,571	**8,080**	7,030
Southwest Region	**2,004**	1,965	**5,210**	4,795
Non-Mature Communities/Other	**662**	344	**2,285**	2,186
Total segment and consolidated other revenue	**$ 14,782**	$ 13,465	**$ 40,905**	$ 37,222
Total reportable apartment home segment rental income				
Same-Store Communities				
West Region	**$ 123,840**	$ 121,853	**$ 364,767**	$ 355,640
Mid-Atlantic Region	**81,844**	79,960	**242,383**	234,193
Northeast Region	**85,710**	83,679	**249,038**	241,264
Southeast Region	**59,128**	59,667	**177,972**	176,698
Southwest Region	**43,132**	44,019	**117,837**	118,359
Non-Mature Communities/Other	**24,434**	19,182	**91,088**	83,610
Total segment and consolidated rental income	**$ 418,088**	$ 408,360	**$ 1,243,085**	$ 1,209,764
Reportable apartment home segment NOI				
Same-Store Communities				
West Region	**$ 91,209**	$ 90,011	**$ 270,378**	$ 265,550
Mid-Atlantic Region	**55,823**	54,591	**165,750**	161,143
Northeast Region	**55,382**	54,445	**161,762**	159,341
Southeast Region	**40,328**	40,727	**121,416**	121,071
Southwest Region	**27,524**	28,397	**74,282**	75,877
Non-Mature Communities/Other	**14,156**	10,485	**54,231**	47,898
Total segment and consolidated NOI	**284,422**	278,656	**847,819**	830,880
Reconciling items:				
Joint venture management and other fees	**2,072**	1,772	**6,029**	4,464
Property management	**(13,588)**	(13,271)	**(40,400)**	(39,317)
Other operating expenses	**(6,382)**	(4,611)	**(20,803)**	(11,902)
Real estate depreciation and amortization	**(170,276)**	(167,551)	**(510,622)**	(505,776)
General and administrative	**(20,890)**	(15,159)	**(58,836)**	(49,091)
Casualty-related (charges)/recoveries, net	**(1,473)**	1,928	**(8,749)**	(3,362)
Other depreciation and amortization	**(4,029)**	(3,692)	**(13,024)**	(11,022)
Gain/(loss) on sale of real estate owned	**—**	—	**16,867**	325,885
Income/(loss) from unconsolidated entities	**(1,880)**	5,508	**11,251**	24,912
Interest expense	**(50,214)**	(44,664)	**(146,087)**	(133,519)
Interest income and other income/(expense), net	**6,159**	(3,069)	**18,522**	8,388
Tax (provision)/benefit, net	**156**	(428)	**(567)**	(2,013)
Net (income)/loss attributable to redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership	**(1,574)**	(2,554)	**(6,736)**	(27,137)
Net (income)/loss attributable to noncontrolling interests	**94**	(7)	**(35)**	(23)
Net income/(loss) attributable to UDR, Inc.	**$ 22,597**	$ 32,858	**$ 94,629**	$ 411,367

(a) *Same-Store Community* population consisted of 52,837 apartment homes.

(b) *Same-Store Community* population consisted of 51,804 apartment homes.

The following table details the assets of UDR's reportable segments as of September 30, 2024 and December 31, 2023 *(dollars in thousands)*:

	September 30, 2024	December 31, 2023
Reportable apartment home segment assets:		
Same-Store Communities (a):		
West Region	**$ 4,499,276**	$ 4,452,491
Mid-Atlantic Region	**3,242,224**	3,205,036
Northeast Region	**3,993,659**	3,957,210
Southeast Region	**1,625,799**	1,589,605
Southwest Region	**1,521,730**	1,506,052
Non-Mature Communities/Other	**1,269,574**	1,313,465
Total segment assets	**16,152,262**	16,023,859
Accumulated depreciation	**(6,739,674)**	(6,267,830)
Total segment assets — net book value	**9,412,588**	9,756,029
Reconciling items:		
Cash and cash equivalents	**2,285**	2,922
Restricted cash	**33,267**	31,944
Notes receivable, net	**280,006**	228,825
Investment in and advances to unconsolidated joint ventures, net	**966,227**	952,934
Operating lease right-of-use assets	**187,918**	190,619
Other assets	**197,473**	209,969
Total consolidated assets	**$ 11,079,764**	$ 11,373,242

(a) *Same-Store Community* population consisted of 52,837 apartment homes.

Markets included in the above geographic segments are as follows:

i. West Region — Orange County, San Francisco, Seattle, Monterey Peninsula, Los Angeles Other Southern California and Portland

ii. Mid-Atlantic Region — Metropolitan D.C., Baltimore and Richmond

iii. Northeast Region — Boston, New York and Philadelphia

iv. Southeast Region — Tampa, Orlando, Nashville and Other Florida

v. Southwest Region — Dallas, Austin and Denver

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial statements appearing elsewhere herein and is based primarily on the consolidated financial statements for the three and nine months ended September 30, 2024 and 2023, of UDR, Inc. Unless the context otherwise requires, all references in this Quarterly Report on Form 10-Q (this "Report") to "UDR," the "Company," "we," "our" and "us" refer to UDR, Inc., together with its consolidated subsidiaries, including United Dominion Realty, L.P. (the "Operating Partnership" or the "OP") and UDR Lighthouse DownREIT L.P. (the "DownREIT Partnership").

Forward-Looking Statements

This Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such forward-looking statements include, without limitation, statements concerning property acquisitions and dispositions, development activity and capital expenditures, capital raising activities, rent growth, occupancy and rental expense growth. Words such as "expects," "anticipates," "intends," "plans," "likely," "will," "believes," "seeks," "estimates," and variations of such words and similar expressions are intended to identify such forward-looking statements.

The following factors, among others, could cause our future results to differ materially from those expressed in the forward-looking statements:

- general market and economic conditions;
- the impact of inflation/deflation;
- unfavorable changes in apartment market and economic conditions that could adversely affect occupancy levels and rental rates;
- the failure of acquisitions, developments or redevelopments to achieve anticipated results;
- possible difficulty in selling apartment communities;
- competitive factors that may limit our ability to lease apartment homes or increase or maintain rents;
- insufficient cash flow that could affect our debt financing and create refinancing risk;
- failure to generate sufficient revenue, which could impair our debt service payments and distributions to stockholders;
- development and construction risks that may impact our profitability;
- potential damage from natural disasters, including hurricanes and other weather-related events, which could result in substantial costs to us;
- risks from climate change that impacts our properties or operations;
- risks from extraordinary losses for which we may not have insurance or adequate reserves;
- risks from cybersecurity breaches of our information technology systems and the information technology systems of our third party vendors and other third parties;
- the availability of capital and the stability of the capital markets;
- changes in job growth, home affordability and the demand/supply ratio for multifamily housing;
- the failure of automation or technology to help grow net operating income;
- uninsured losses due to insurance deductibles, self-insurance retention, uninsured claims or casualties, or losses in excess of applicable coverage;
- delays in completing developments and lease-ups on schedule or at expected rent and occupancy levels;
- our failure to succeed in new markets;

- risks that third parties who have an interest in or are otherwise involved in projects in which we have an interest, including mezzanine borrowers, joint venture partners or other investors, do not perform as expected;
- changing interest rates, which could increase interest costs and affect the market price of our securities;
- potential liability for environmental contamination, which could result in substantial costs to us;
- the imposition of federal taxes if we fail to qualify as a REIT under the Code in any taxable year;
- our internal control over financial reporting may not be considered effective which could result in a loss of investor confidence in our financial reports, and in turn have an adverse effect on our stock price; and
- changes in real estate laws, tax laws, rent control or stabilization laws or other laws affecting our business.

A discussion of these and other factors affecting our business and prospects is set forth in Part II, Item 1A. Risk Factors. We encourage investors to review these risk factors.

Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore such statements included in this Report may not prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved.

Forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Report, and we expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in our 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 by law.

Business Overview

We are a self-administered real estate investment trust, or REIT, that owns, operates, acquires, renovates, develops, redevelops, disposes of, and manages multifamily apartment communities in targeted markets located in the United States. We were formed in 1972 as a Virginia corporation. In June 2003, we changed our state of incorporation from Virginia to Maryland. Our subsidiaries include the Operating Partnership and the DownREIT Partnership.

At September 30, 2024, our consolidated real estate portfolio included 169 communities in 13 states plus the District of Columbia totaling 55,699 apartment homes. In addition, we have an ownership interest in 10,860 completed or to-be-completed apartment homes through unconsolidated joint ventures or partnerships, including 6,436 apartment homes owned by entities in which we hold preferred equity investments. The *Same-Store Community* apartment home population for the three and nine months ended September 30, 2024, was 52,837 and 51,804, respectively.

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The following table summarizes our same-store market information by major geographic markets as of and for the three and nine months ended September 30, 2024, as applicable:

Same-Store Communities	September 30, 2024				Three Months Ended September 30, 2024		Nine Months Ended September 30, 2024	
	Number of Apartment Communities	Number of Apartment Homes	Percentage of Total Carrying Value	Total Carrying Value (in thousands)	Weighted Average Physical Occupancy	Monthly Income per Occupied Home (a)	Weighted Average Physical Occupancy	Monthly Income per Occupied Home (a)
West Region								
Orange County, CA	8	4,305	8.6 %	$ 1,383,261	96.4 %	$ 3,122	96.7 %	$ 3,087
San Francisco, CA	12	2,917	6.3 %	1,024,389	96.5 %	3,547	97.0 %	3,538
Seattle, WA	14	2,702	6.9 %	1,116,488	96.3 %	2,920	97.0 %	2,865
Monterey Peninsula, CA	7	1,567	1.2 %	201,811	95.9 %	2,434	95.8 %	2,398
Los Angeles, CA	4	1,225	3.0 %	488,930	95.9 %	3,259	96.3 %	3,204
Other Southern California	3	821	1.4 %	226,948	96.5 %	2,949	96.6 %	2,937
Portland, OR	2	476	0.4 %	57,449	96.7 %	2,002	97.0 %	1,985
Mid-Atlantic Region								
Metropolitan D.C.	23	8,819	15.5 %	2,498,103	96.7 %	2,420	97.2 %	2,373
Baltimore, MD	7	2,222	3.5 %	572,326	95.2 %	1,971	95.9 %	1,941
Richmond, VA	4	1,359	1.1 %	171,795	96.7 %	1,884	96.8 %	1,867
Northeast Region								
Boston, MA	12	4,667	12.2 %	1,963,517	96.2 %	3,263	96.7 %	3,207
New York, NY	6	2,318	9.8 %	1,588,983	97.2 %	4,893	97.7 %	4,767
Philadelphia, PA	4	1,172	2.7 %	441,159	96.5 %	2,560	96.8 %	2,557
Southeast Region								
Tampa, FL	11	3,877	4.3 %	689,482	95.8 %	2,153	96.4 %	2,144
Orlando, FL	11	3,493	3.5 %	571,949	95.9 %	1,914	96.5 %	1,920
Nashville, TN	8	2,261	1.7 %	267,860	96.0 %	1,758	96.4 %	1,754
Other Florida	1	636	0.6 %	96,508	96.9 %	2,409	97.3 %	2,370
Southwest Region								
Dallas, TX	15	6,218	6.6 %	1,073,188	96.2 %	1,772	96.5 %	1,777
Austin, TX	4	1,272	1.2 %	197,088	96.8 %	1,938	96.9 %	1,918
Denver, CO	2	510	1.6 %	251,454	96.3 %	2,829	97.1 %	3,600
Total/Average Same-Store Communities	158	52,837	92.1 %	14,882,688	96.3 %	$ 2,579	96.7 %	$ 2,554
Non-Mature, Commercial Properties & Other	11	2,862	7.9 %	1,269,574				
Total Real Estate Owned	169	55,699	100.0 %	16,152,262				
Total Accumulated Depreciation				(6,739,674)				
Total Real Estate Owned, Net of Accumulated Depreciation				$ 9,412,588				

(a) Monthly Income per Occupied Home represents total monthly revenues divided by the average physical number of occupied apartment homes in our Same-Store portfolio.

We report in two segments: *Same-Store Communities* and *Non-Mature Communities/Other*.

Our *Same-Store Communities* segment represents those communities acquired, developed, and stabilized prior to July 1, 2023 (for quarter-to-date comparison) and January 1, 2023 (for year-to-date comparison) and held as of September 30, 2024. These communities were owned and had stabilized occupancy and operating expenses as of the beginning of the prior period, there is no plan to conduct substantial redevelopment activities, and the communities are not classified as held for disposition within the current year. A community is considered to have stabilized occupancy once it achieves 90% occupancy for at least three consecutive months.

Our *Non-Mature Communities/Other* segment represents those communities that do not meet the criteria to be included in *Same-Store Communities*, including, but not limited to, recently acquired, developed and redeveloped communities, and the non-apartment components of mixed use properties.

Liquidity and Capital Resources

Liquidity is the ability to meet present and future financial obligations either through operating cash flows, sales of properties, borrowings under our credit agreements, and/or the issuance of debt and/or equity securities. Our primary source of liquidity is our cash flow from operations, as determined by rental rates, occupancy levels, and operating expenses related to our portfolio of apartment homes, and borrowings under our credit agreements. We routinely use our working capital credit facility, our unsecured revolving credit facility and issuances of commercial paper to temporarily fund certain investing and financing activities prior to arranging for longer-term financing or the issuance of equity or debt securities. During the past several years, proceeds from the sale of real estate have been used for both investing and financing activities as we continue to execute on maintaining a diversified portfolio.

We expect to meet our short-term liquidity requirements generally through net cash provided by property operations and borrowings under our credit agreements and our unsecured commercial paper program. We expect to meet certain long-term liquidity requirements such as scheduled debt maturities, the repayment of financing on development activities, and potential property acquisitions, through net cash provided by property operations, secured and unsecured borrowings, the issuance of debt or equity securities, and/or the disposition of properties. We believe that our net cash provided by property operations and borrowings under our credit agreements and our unsecured commercial paper program will continue to be adequate to meet both operating requirements and the payment of dividends by the Company in accordance with REIT requirements. Likewise, the budgeted expenditures for improvements and renovations of certain properties are expected to be funded from property operations, borrowings under credit agreements, the issuance of debt or equity securities, and/or dispositions of properties.

We have a shelf registration statement filed with the Securities and Exchange Commission, or "SEC," which provides for the issuance of common stock, preferred stock, depositary shares, debt securities, guarantees of debt securities, warrants, subscription rights, purchase contracts and units to facilitate future financing activities in the public capital markets. Access to capital markets is dependent on market conditions at the time of issuance.

In July 2021, the Company entered into an ATM sales agreement under which the Company may offer and sell up to 20.0 million shares of its common stock, from time to time, to or through its sales agents and may enter into separate forward sales agreements to or through its forward purchasers. Upon entering into the ATM sales agreement, the Company simultaneously terminated the sales agreement for its prior at-the-market equity offering program, which was entered into in July 2017. During the three and nine months ended September 30, 2024, the Company did not sell any shares of common stock through its ATM program. As of September 30, 2024, we had 14.0 million shares of common stock available for future issuance under the ATM program.

In connection with any forward sales agreement under the Company's ATM program, the relevant forward purchasers will borrow from third parties and, through the relevant sales agent, acting in its role as forward seller, sell a number of shares of the Company's common stock equal to the number of shares underlying the agreement. The Company does not initially receive any proceeds from any sale of borrowed shares by the forward seller.

In August 2024, the Company issued $300.0 million of 5.125% senior medium-term notes due September 1, 2034. Interest is payable semi-annually in arrears on March 1 and September 1 of each year, beginning on March 1, 2025. The notes were priced at 98.977% of the principal amount of the notes. The Company used the net proceeds to pay down outstanding indebtedness under its commercial paper program. The Company entered into and settled treasury lock arrangements to hedge against all interest rate risk of the debt. The all-in weighted average interest rate, inclusive of the impact of the treasury locks, was 4.95%.

Future Capital Needs

Future development and redevelopment expenditures may be funded through unsecured or secured credit facilities, unsecured commercial paper, proceeds from the issuance of equity or debt securities, sales of properties, joint ventures, and, to a lesser extent, from cash flows provided by property operations. Acquisition activity in strategic markets may be funded through joint ventures, by the reinvestment of proceeds from the sale of properties, through the issuance of equity or debt securities, the issuance of operating partnership units and the assumption or placement of secured and/or unsecured debt.

During the remainder of 2024, we have approximately $1.3 million of secured debt maturing, inclusive of principal amortization, and $290.0 million of unsecured debt maturing. We anticipate repaying the remaining debt with cash flow from

our operations, proceeds from debt or equity offerings, proceeds from dispositions of properties, or from borrowings under our credit agreements and our unsecured commercial paper program.

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that are material.

Guarantor Subsidiary Summarized Financial Information

UDR has certain outstanding debt securities that are guaranteed by United Dominion Realty, L.P. (the "Operating Partnership"). With respect to this debt, as further outlined below, the Operating Partnership fully and unconditionally guarantees payment of any principal, premium and interest in full to the holders thereof. The Operating Partnership is a subsidiary of UDR, through which UDR conducts a significant portion of its business and holds a substantial amount of its assets. UDR also conducts business through other subsidiaries, including its taxable REIT subsidiaries. In addition to its ownership interest in the Operating Partnership, UDR holds interests in subsidiaries and joint ventures, owns and operates properties, issues securities from time to time and guarantees debt of certain of its subsidiaries. UDR, as the sole general partner of the Operating Partnership, owns 100 percent of the Operating Partnership's general partnership interests and approximately 95 percent of its limited partnership interests and, by virtue thereof, has the ability to control all of the day-to-day operations of the Operating Partnership. UDR has concluded that it is the primary beneficiary of, and therefore consolidates, the Operating Partnership.

The Operating Partnership is the subsidiary guarantor of certain of our registered debt securities, including the $300 million of medium-term notes due September 2026, $300 million of medium-term notes due July 2027, $300 million of medium-term notes due January 2028, $300 million of medium-term notes due January 2029, $600 million of medium-term notes due January 2030, $600 million of medium-term notes due August 2031, $400 million of medium-term notes due August 2032, $350 million of medium-term notes due March 2033, $300 million of medium-term notes due in June 2033, $300 million of medium-term notes due September 2034 and $300 million of medium-term notes due November 2034.

The Operating Partnership fully and unconditionally guarantees payment of any principal, premium and interest in full to the holders of the notes described above. The guarantee forms part of the indenture under which the notes were issued. If, for any reason, we do not make any required payment in respect of the notes when due, the Operating Partnership will cause the payment to be made to, or to the order of, the applicable paying agent on behalf of the trustee. Holders of the notes may enforce their rights under the guarantee directly against the Operating Partnership without first making a demand or taking action against UDR or any other person or entity. The Operating Partnership may, without the consent of the holders of the notes, assume all of our rights and obligations under the notes and, upon such assumption, we will be released from our liabilities under the indenture and the notes.

The notes are UDR's unsecured general obligations and rank equally with all of UDR's other unsecured and unsubordinated indebtedness outstanding from time to time. As a result, our payment of amounts due on the notes is subordinated to all of our existing and future secured obligations to the extent of the value of the collateral pledged toward any such secured obligation. Our payment of amounts due on the notes also is effectively subordinated to all liabilities, whether secured or unsecured, of any of our non-guarantor subsidiaries because, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to such subsidiaries, we, as an equity holder of such subsidiaries, would not receive distributions from such subsidiaries until claims of any creditors of such subsidiaries are satisfied.

The following tables present the summarized financial information for the Operating Partnership as of September 30, 2024 and December 31, 2023, and for the three and nine months ended September 30, 2024 and 2023. The information presented below excludes eliminations necessary to arrive at the information on a consolidated basis (dollars in thousands):

	September 30, 2024	December 31, 2023
Total real estate, net	**$ 2,576,057**	$ 2,629,267
Cash and cash equivalents	**—**	5
Operating lease right-of-use assets	**188,849**	191,673
Other assets	**54,004**	75,464
Total assets	**$ 2,818,910**	$ 2,896,409
Secured debt, net	**$ 377,946**	$ 377,262
Notes payable to UDR (a)	**1,385,081**	1,298,903
Operating lease liabilities	**184,162**	186,939
Other liabilities	**149,442**	133,595
Total liabilities	**2,096,631**	1,996,699
Total capital	**$ 722,279**	**$** 899,710

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Total revenue	**$ 150,762**	$ 143,726	**$ 448,452**	$ 413,766
Property operating expenses	**(69,304)**	(61,954)	**(202,800)**	(179,123)
Real estate depreciation and amortization	**(47,262)**	(42,034)	**(142,014)**	(119,414)
Operating income/(loss)	**34,196**	39,738	**103,638**	115,229
Interest expense (a)	**(17,771)**	(14,483)	**(52,050)**	(39,236)
Other income/(loss)	**1,805**	2,055	**4,141**	4,470
Net income/(loss)	**$ 18,230**	$ 27,310	**$ 55,729**	$ 80,463

(a) All $1.4 billion and $1.3 billion notes payable to UDR as of September 30, 2024 and December 31, 2023, respectively, and $13.7 million and $12.1 million of interest expense on notes payable to UDR for the three months ended September 30, 2024 and 2023, respectively, and $39.9 million and $34.7 million of interest expense on notes payable to UDR for the nine months ended September 30, 2024 and 2023, respectively, eliminate upon consolidation of UDR's consolidated financial statements.

Critical Accounting Policies and Estimates and New Accounting Pronouncements

Our critical accounting policies are those having the most impact on the reporting of our financial condition and results and those requiring significant judgments and estimates. These policies include those related to (1) capital expenditures, (2) impairment of long-lived assets, (3) real estate investment properties, and (4) revenue recognition.

Our critical accounting policies are described in more detail in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in UDR's Annual Report on Form 10-K, filed with the SEC on February 20, 2024. There have been no significant changes in our critical accounting policies from those reported in our Form 10-K filed with the SEC on February 20, 2024. With respect to these critical accounting policies, we believe that the application of judgments and assessments is consistently applied and produces financial information that fairly depicts the results of operations for all periods presented.

Statements of Cash Flows

The following discussion explains the changes in *Net cash provided by/(used in) operating activities*, *Net cash provided by/(used in) investing activities*, and *Net cash provided by/(used in) financing activities* that are presented in our Consolidated Statements of Cash Flows for the nine months ended September 30, 2024 and 2023.

Operating Activities

For the nine months ended September 30, 2024, our *Net cash provided by/(used in) operating activities* was $636.3 million, compared to $613.6 million for the comparable period in 2023. The increase in cash flow from operating activities was primarily due to higher revenue per occupied home, an increase in weighted average physical occupancy, NOI from additional operating communities, and an increase in operating distributions from our unconsolidated joint ventures, partially offset by higher borrowing costs.

Investing Activities

For the nine months ended September 30, 2024, *Net cash provided by/(used in) investing activities* was $(227.6) million, compared to $(216.2) million for the comparable period in 2023. The increase in cash used in investing activities was primarily due to a decrease in proceeds from sales of real estate during the current period compared to the prior year period, and an increase in investments in unconsolidated joint ventures and partnerships, partially offset by a decrease in spend for development of real estate assets, a decrease in capital expenditures, a decrease in acquisitions, and a decrease from the net issuance of notes receivable during the current period compared to the prior year period.

Acquisitions

In January 2024, the Company acquired its joint venture partner's common equity interest in a 173 apartment home operating community located in Oakland, California for $1.4 million. The community was previously owned by a consolidated joint venture of the Company. (See Note 5, *Joint Ventures and Partnerships* for more information).

Dispositions

In February 2024, the Company sold an operating community located in Arlington, Virginia with a total of 214 apartment homes for gross proceeds of $100.0 million, resulting in a gain of approximately $16.9 million. This operating community was classified as held for disposition as of December 31, 2023.

Capital Expenditures

We capitalize those expenditures that materially enhance the value of an existing asset or substantially extend the useful life of an existing asset. Expenditures necessary to maintain an existing property in ordinary operating condition are expensed as incurred.

For the nine months ended September 30, 2024, total capital expenditures of $191.3 million, or $3,458 per stabilized home, which in aggregate include recurring capital expenditures and major renovations, were spent across our portfolio, excluding development, as compared to $228.6 million, or $4,203 per stabilized home, for the comparable period in 2023.

The decrease in total capital expenditures was primarily due to:

- a decrease of 48.9%, or $51.7 million, in major renovations, which includes major structural changes and/or architectural revisions to existing buildings.

This was partially offset by:

- an increase of 22.4%, or $12.8 million, in recurring capital expenditures, which includes asset preservation and turnover-related expenditures; and

- an increase of 3.0%, or $1.9 million, in NOI enhancing improvements, such as kitchen and bath remodels and upgrades to common areas.

The following table outlines capital expenditures and repair and maintenance costs for all of our communities, excluding real estate under development, for the nine months ended September 30, 2024 and 2023 (*dollars in thousands except Per Home amounts*):

	Nine Months Ended September 30,			Per Home Nine Months Ended September 30,		
	2024	**2023**	**% Change**	**2024**	**2023**	**% Change**
Turnover capital expenditures	**$ 14,550**	$ 13,186	10.3 %	**$ 263**	$ 242	8.7 %
Asset preservation expenditures	**55,493**	44,020	26.1 %	**1,003**	809	24.0 %
Total recurring capital expenditures	**70,043**	57,206	22.4 %	**1,266**	1,052	20.3 %
NOI enhancing improvements (a)	**63,933**	62,071	3.0 %	**1,156**	1,141	1.3 %
Major renovations (b)	**54,087**	105,814	(48.9)%	**978**	1,945	(49.7)%
Operations platform	**3,227**	3,534	(8.7)%	**58**	65	(10.8)%
Total capital expenditures (c)	**$ 191,290**	$ 228,625	(16.3)%	**$ 3,458**	$ 4,203	(17.7)%
Repair and maintenance expense	**$ 76,943**	$ 72,039	6.8 %	**$ 1,391**	$ 1,324	5.1 %
Average home count (d)	**55,306**	54,394	1.7 %			

(a) NOI enhancing improvements are expenditures that we believe will result in increased income generation or decreased expense growth.
(b) Major renovations include major structural changes and/or architectural revisions to existing buildings.
(c) Total capital expenditures includes amounts capitalized during the year. Cash paid for capital expenditures is impacted by the net change in related accruals.
(d) Average number of homes is calculated based on the number of homes outstanding at the end of each month.

We intend to continue to selectively add NOI enhancing improvements, which we believe will provide a return on investment in excess of our cost of capital. Our objective in redeveloping a community is twofold: we aim to meaningfully grow rental rates while also achieving cap rate compression through asset quality improvement.

Consolidated Real Estate Under Development and Redevelopment

At September 30, 2024, the Company was not developing any communities although the Company is incurring and capitalizing costs directly related to predevelopment activities in preparation of future development commencements.

At September 30, 2024, the Company had no communities at which it was conducting substantial redevelopment activities.

Unconsolidated Joint Ventures and Partnerships

The Company recognizes income or losses from our investments in unconsolidated joint ventures and partnerships consisting of our proportionate share of the net income or losses of the joint ventures and partnerships. In addition, we may earn fees for providing management services to the communities held by the unconsolidated joint ventures and partnerships.

The Company's *Investment in and advances to unconsolidated joint ventures and partnerships, net*, are accounted for under the equity method of accounting. For the nine months ended September 30, 2024:

- we made investments totaling $45.4 million in our unconsolidated joint ventures and partnerships;
- our proportionate share of the net income/(loss) of the joint ventures and partnerships was $11.3 million, which included an $8.1 million non-cash impairment loss on one of the Company's preferred equity investments due to a decrease in the value of the operating community that is deemed to be other-than-temporary; and
- we received distributions of $43.5 million, of which $29.8 million were operating cash flows and $13.7 million were investing cash flows.

We evaluate our investments in unconsolidated joint ventures and partnerships when events or changes in circumstances indicate that there may be an other-than-temporary decline in value. We consider various factors to determine if a decrease in the value of the investment is other-than-temporary. The Company did not recognize any other-than-temporary impairments in the value of its investments in unconsolidated joint ventures or partnerships during the nine months ended September 30, 2024 and 2023, other than the one preferred equity investment discussed above.

Financing Activities

For the nine months ended September 30, 2024, our *Net cash provided by/(used in) financing activities* was $(408.0) million, compared to $(395.1) million for the comparable period of 2023.

The following significant financing activities occurred during the nine months ended September 30, 2024:

- issued $300.0 million of 5.125% senior unsecured medium-term notes due September 2034, for net proceeds of $296.9 million;
- repaid $136.6 million of secured debt;
- repaid $15.6 million of unsecured debt;
- repaid $118.1 million, net on our unsecured commercial paper program;
- received net proceeds of $42.2 million on our revolving bank debt;
- paid $31.4 million of distributions to redeemable noncontrolling interests; and
- paid $418.3 million of distributions to our common stockholders.

Credit Facilities and Commercial Paper Program

The Company has a $1.3 billion unsecured revolving credit facility (the "Revolving Credit Facility") and a $350.0 million unsecured term loan (the "Term Loan"). The credit agreement for these facilities (the "Credit Agreement") allows the total commitments under the Revolving Credit Facility and the total borrowings under the Term Loan to be increased to an aggregate maximum amount of up to $2.5 billion, subject to certain conditions, including obtaining commitments from one or more lenders. In August 2024, the Company amended the Revolving Credit Facility to extend the maturity date to August 31, 2028, with two six-month extension options. The Revolving Credit Facility was previously set to mature on January 31, 2026, with two six-month extension options, subject to certain conditions. The Term Loan has a scheduled maturity date of January 31, 2027. In August 2024, the Company amended the Term Loan to include a twelve-month extension option, subject to certain conditions.

Based on the Company's current credit rating, the Revolving Credit Facility has an interest rate equal to Adjusted SOFR plus a margin of 77.5 basis points and a facility fee of 15 basis points, and the Term Loan has an interest rate equal to Adjusted SOFR plus a margin of 85.0 basis points. Depending on the Company's credit rating, the margin under the Revolving Credit Facility ranges from 70 to 140 basis points, the facility fee ranges from 10 to 30 basis points, and the margin under the Term Loan ranges from 75 to 160 basis points. Further, as amended, the Credit Agreement includes sustainability adjustments pursuant to which the applicable margin for the Term Loan may be reduced by up to two basis points contingent upon the Company receiving green building certifications. In addition, the Credit Agreement, as amended, allows for the Company in consultation with the sustainability structuring agent to propose key performance indicators with respect to certain environmental, social, and governance goals of the Company, and thresholds or targets with respect thereto, and a related amendment to the Credit Agreement, that if entered into may allow a change in the applicable margin for the Revolving Credit Facility of up to four basis points and a change in the applicable facility fee of up to one basis point.

As of September 30, 2024, we had no outstanding borrowings under the Revolving Credit Facility, leaving $1.3 billion of unused capacity (excluding $3.8 million of letters of credit at September 30, 2024), and $350.0 million of outstanding borrowings under the Term Loan.

The Company has a working capital credit facility, which provides for a $75.0 million unsecured revolving credit facility (the "Working Capital Credit Facility") with a scheduled maturity date of January 12, 2025, with a one-year extension option. Based on the Company's current credit rating, the Working Capital Credit Facility has an interest rate equal to Adjusted SOFR plus a margin of 77.5 basis points. Depending on the Company's credit rating, the margin ranges from 70 to 140 basis points.

As of September 30, 2024, we had $46.8 million of outstanding borrowings under the Working Capital Credit Facility, leaving $28.2 million of unused capacity.

The bank revolving credit facilities and the term loan are subject to customary financial covenants and limitations, all of which we were in compliance with at September 30, 2024.

The Company has an unsecured commercial paper program. Under the terms of the program, the Company may issue unsecured commercial paper up to a maximum aggregate amount outstanding of $700.0 million. The notes are sold under customary terms in the United States commercial paper market and rank pari passu with all of the Company's other unsecured indebtedness. The notes are fully and unconditionally guaranteed by the Operating Partnership. As of September 30, 2024, we had issued $290.0 million of commercial paper, for one month terms, at a weighted average annualized rate of 5.03%, leaving $410.0 million of unused capacity.

Interest Rate Risk

We are exposed to interest rate risk associated with variable rate notes payable and maturing debt that has to be refinanced. We do not hold financial instruments for trading or other speculative purposes, but rather issue these financial instruments to finance our portfolio of real estate assets and operations. Interest rate sensitivity is the relationship between changes in market interest rates and the fair value of market rate sensitive assets and liabilities. Our earnings are affected as changes in short-term interest rates impact our cost of variable rate debt and maturing fixed rate debt. We had $538.8 million in variable rate debt that is not subject to interest rate swap contracts as of September 30, 2024. If market interest rates for variable rate debt increased by 100 basis points, our interest expense for the nine months ended September 30, 2024 would increase by $4.7 million based on the average balance outstanding during the period.

These amounts are determined by considering the impact of hypothetical interest rates on our borrowing cost. This analysis does not consider the effects of the adjusted level of overall economic activity that could exist in such an environment or actions we may take to further mitigate our exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, the sensitivity analysis assumes no change in our financial structure.

The Company also utilizes derivative financial instruments to manage interest rate risk and generally designates these financial instruments as cash flow hedges. See Note 11, *Derivatives and Hedging Activities*, in the Notes to the UDR Consolidated Financial Statements included in this Report for additional discussion of derivative instruments.

A presentation of cash flow metrics based on GAAP is as follows (*dollars in thousands*):

	Nine Months Ended September 30,	
	2024	**2023**
Net cash provided by/(used in) operating activities	**$ 636,312**	$ 613,593
Net cash provided by/(used in) investing activities	**(227,593)**	(216,225)
Net cash provided by/(used in) financing activities	**(408,033)**	(395,107)

Results of Operations

The following discussion explains the changes in results of operations that are presented in our Consolidated Statements of Operations for the three and nine months ended September 30, 2024 and 2023.

Net Income/(Loss) Attributable to Common Stockholders

Net income/(loss) attributable to common stockholders was $21.4 million ($0.06 per diluted share) for the three months ended September 30, 2024, as compared to $31.6 million ($0.10 per diluted share) for the comparable period in the prior year. The decrease resulted primarily from the following items, all of which are discussed in further detail elsewhere within this Report:

- a decrease in income/(loss) from unconsolidated entities of $7.4 million primarily due to an $8.1 million non-cash impairment loss on one of the Company's preferred equity investments during the three months ended September 30, 2024 partially offset by joint ventures with losses during the same period in 2023 that have been sold;

- an increase in interest expense of $5.6 million primarily due to higher overall debt balances during the three months ended September 30, 2024, as compared the same period in 2023;

- an increase in general and administrative expenses of $5.7 million primarily attributable to the retirement of an officer, higher incentive and bonus accruals primarily driven by better Company performance, and annual market increases for personnel during the three months ended September 30, 2024, as compared to the same period in 2023; and

- an increase in casualty-related charges/(recoveries), net of $3.4 million primarily attributable to an increase in claims due to severe weather events during the three months ended September 30, 2024 as compared to insurance recoveries from events during the same period in 2023.

This was partially offset by:

- an increase in interest income and other income/(expense), net of $9.2 million primarily due to $(0.5) million of unrealized losses from our direct investment in SmartRent during the three months ended September 30, 2024, as compared to $(8.3) million of unrealized losses during the three months ended September 30, 2023, and a $1.6 million increase in interest income from our notes receivables due to higher outstanding balances during the three months ended September 30, 2024, as compared the same period in 2023; and

- an increase in total property net operating income ("NOI") of $5.8 million primarily due to higher revenue per occupied home and NOI from additional operating communities, partially offset by an increase in property operating expenses and a decrease from communities sold during 2023 and 2024.

Net income/(loss) attributable to common stockholders was $91.0 million ($0.28 per diluted share) for the nine months ended September 30, 2024, as compared to $407.7 million ($1.24 per diluted share) for the comparable period in the prior year. The decrease resulted primarily from the following items, all of which are discussed in further detail elsewhere within this Report:

- gain on the sale of real estate of $16.9 million from the sale of an operating community located in Arlington, Virginia during the nine months ended September 30, 2024, as compared to gains of $325.9 million recognized from the partial sale of four operating communities located in various markets during the nine months ended September 30, 2023;

- a decrease in income/(loss) from unconsolidated entities of $13.7 million primarily due to an $8.1 million non-cash impairment loss on one of the Company's preferred equity investments and a decrease in income from our joint ventures and preferred equity investments during the nine months ended September 30, 2024 as compared to the same period in 2023;

- an increase in interest expense of $12.6 million primarily due to higher overall debt balances during the nine months ended September 30, 2024, as compared the same period in 2023;

- an increase in general and administrative expenses of $9.7 million primarily attributable to the retirement of an officer, higher incentive and bonus accruals primarily driven by better Company performance, and annual market increases for personnel during the nine months ended September 30, 2024, as compared to the same period in 2023;

- an increase in other operating expenses of $8.9 million primarily attributed to an increase in legal-related expenses and political contributions during the nine months ended September 30, 2024, as compared to the same period in 2023; and

- an increase in casualty-related charges/(recoveries), net of $5.4 million primarily attributable to an increase in claims due to severe weather events during the nine months ended September 30, 2024 as compared to claims due to severe weather events partially offset by insurance recoveries during the same period in 2023.

This was partially offset by:

- a decrease in net income attributable to redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership of $20.4 million primarily attributed to the noncontrolling interests' share of the gain from the partial sale of four operating communities located in various markets during the nine months ended

September 30, 2023, as compared to the sale of one operating community located in Arlington, Virginia in the same period of 2024;

- an increase in total property NOI of $16.9 million primarily due to higher revenue per occupied home, an increase in weighted average physical occupancy and NOI from additional operating communities, partially offset by an increase in property operating expenses and a decrease from communities sold during 2023 and 2024; and

- an increase in interest income and other income/(expense), net of $10.1 million primarily due to $(1.3) million of unrealized losses from our direct investment in SmartRent during the nine months ended September 30, 2024, as compared to $(0.3) million of unrealized losses during the nine months ended September 30, 2023, and a $11.0 million increase in interest income from our notes receivables due to higher outstanding balances during the nine months ended September 30, 2024, as compared the same period in 2023.

Apartment Community Operations

Our net income results are primarily from NOI generated from the operation of our apartment communities. The Company defines NOI, which is a non-GAAP financial measure, as rental income less direct property rental expenses. Rental income represents gross market rent less adjustments for concessions, vacancy loss and bad debt. Rental expenses include real estate taxes, insurance, personnel, utilities, repairs and maintenance, administrative and marketing. Excluded from NOI is property management expense, which is calculated as 3.25% of property revenue, and land rent. Property management expense covers costs directly related to consolidated property operations, inclusive of corporate management, regional supervision, accounting and other costs.

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.

Although the Company considers NOI a useful measure of operating performance, NOI should not be considered an alternative to net income or net cash flow from operating activities as determined in accordance with GAAP. NOI excludes several income and expense categories as detailed in the reconciliation of NOI to *Net income/(loss) attributable to UDR, Inc.* below.

The following table summarizes the operating performance of our total property NOI for each of the periods presented *(dollars in thousands):*

	Three Months Ended September 30, (a)			Nine Months Ended September 30, (b)		
	2024	**2023**	**% Change**	**2024**	**2023**	**% Change**
Same-Store Communities:						
Same-Store rental income	**$ 393,654**	$ 389,178	1.2 %	**$ 1,151,997**	$ 1,126,154	2.3 %
Same-Store operating expense (c)	**(123,388)**	(121,007)	2.0 %	**(358,409)**	(343,172)	4.4 %
Same-Store NOI	**270,266**	268,171	0.8 %	**793,588**	782,982	1.4 %
Non-Mature Communities/Other NOI:						
Stabilized, non-mature communities NOI (d)	**9,127**	4,080	123.7 %	**38,117**	15,545	145.2 %
Development communities NOI	**775**	(82)	NM *	**398**	(86)	NM *
Non-residential/other NOI (e)	**4,254**	3,791	12.2 %	**15,064**	10,975	37.3 %
Sold and held for disposition communities NOI	**—**	2,696	(100.0)%	**652**	21,464	(97.0)%
Total Non-Mature Communities/Other NOI	**14,156**	10,485	35.0 %	**54,231**	47,898	13.2 %
Total property NOI	**$ 284,422**	$ 278,656	2.1 %	**$ 847,819**	$ 830,880	2.0 %

* Not meaningful
(a) Same-Store consists of 52,837 apartment homes.
(b) Same-Store consists of 51,804 apartment homes.
(c) Excludes depreciation, amortization, and property management expenses.

(d) Represents non-mature communities that have achieved 90% occupancy for three consecutive months but do not meet the criteria to be included in Same-Store Communities.
(e) Primarily non-residential retail revenue and expense.

The following table is our reconciliation of *Net income/(loss) attributable to UDR, Inc.* to total property NOI for each of the periods presented (*dollars in thousands):*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Net income/(loss) attributable to UDR, Inc.	**$ 22,597**	$ 32,858	**$ 94,629**	$ 411,367
Joint venture management and other fees	**(2,072)**	(1,772)	**(6,029)**	(4,464)
Property management	**13,588**	13,271	**40,400**	39,317
Other operating expenses	**6,382**	4,611	**20,803**	11,902
Real estate depreciation and amortization	**170,276**	167,551	**510,622**	505,776
General and administrative	**20,890**	15,159	**58,836**	49,091
Casualty-related charges/(recoveries), net	**1,473**	(1,928)	**8,749**	3,362
Other depreciation and amortization	**4,029**	3,692	**13,024**	11,022
(Gain)/loss on sale of real estate owned	**—**	—	**(16,867)**	(325,885)
(Income)/loss from unconsolidated entities	**1,880**	(5,508)	**(11,251)**	(24,912)
Interest expense	**50,214**	44,664	**146,087**	133,519
Interest income and other (income)/expense, net	**(6,159)**	3,069	**(18,522)**	(8,388)
Tax provision/(benefit), net	**(156)**	428	**567**	2,013
Net income/(loss) attributable to redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership	**1,574**	2,554	**6,736**	27,137
Net income/(loss) attributable to noncontrolling interests	**(94)**	7	**35**	23
Total property NOI	**$ 284,422**	$ 278,656	**$ 847,819**	$ 830,880

Same-Store Communities

Our *Same-Store Community* properties, those acquired, developed, and stabilized prior to July 1, 2023 (for quarter-to-date comparison) and January 1, 2023 (for year-to-date comparison) and held on September 30, 2024 consisted of 52,837 and 51,804 apartment homes, respectively, and provided 95.0% and 93.6% of our total NOI for the three and nine months ended September 30, 2024.

Three Months Ended September 30, 2024 vs. Three Months Ended September 30, 2023

NOI for our *Same-Store Community* properties increased 0.8%, or $2.1 million, for the three months ended September 30, 2024 compared to the same period in 2023. The increase in property NOI was attributable to a 1.2%, or $4.5 million, increase in property rental income, partially offset by a 2.0%, or $2.4 million, increase in operating expenses. The increase in property rental income was primarily driven by a 1.4%, or $4.9 million, increase in rental rates and a 4.6%, or $2.0 million, increase in reimbursement and ancillary and fee income, partially offset by an 11.5%, or $1.3 million, increase in vacancy loss. Weighted average physical occupancy decreased by 0.4% to 96.3% and total monthly income per occupied home increased by 1.5% to $2,579.

The increase in operating expenses was primarily driven by a 4.7%, or $1.2 million, increase in repair and maintenance expense due to an increase in the cost per home of those homes that were turned during the three months ended September 30, 2024 as compared to the same period in 2023, the impact of inflation on third party vendor costs and weather-related events, a 10.4%, or $0.9 million, increase in administration and marketing, and a 4.8%, or $0.8 million, increase in personnel costs.

The operating margin (property net operating income divided by property rental income) was 68.7% and 68.9% for the three months ended September 30, 2024 and 2023, respectively.

Nine Months Ended September 30, 2024 vs. Nine Months Ended September 30, 2023

NOI for our *Same-Store Community* properties increased 1.4%, or $10.6 million, for the nine months ended September 30, 2024 compared to the same period in 2023. The increase in property NOI was attributable to a 2.3%, or $25.8 million, increase in property rental income, partially offset by a 4.4%, or $15.2 million, increase in operating expenses. The increase in property rental income was primarily driven by a 1.6%, or $17.2 million, increase in rental rates, and a 7.7%, or $9.5 million, increase in reimbursement and ancillary and fee income. Weighted average physical occupancy increased by 0.1% to 96.7% and total monthly income per occupied home increased by 2.1% to $2,554.

The increase in operating expenses was primarily driven by a 12.9%, or $5.9 million, increase in personnel costs primarily due to a refundable payroll tax credit related to the Employee Retention Credit program in 2023, a 4.9%, or $3.4 million, increase in repair and maintenance expense due to an increase in the cost per home of those that were turned during the year, the impact of inflation on third party vendor costs and weather-related events, a 2.2%, or $3.1 million, increase in real estate taxes due to higher assessed valuations and a 11.5%, or $2.6 million, increase in administration and marketing.

The operating margin (property net operating income divided by property rental income) was 68.9% and 69.5% for the nine months ended September 30, 2024 and 2023, respectively.

Non-Mature Communities/Other

UDR's *Non-Mature Communities/Other* represent those communities that do not meet the criteria to be included in *Same-Store Communities*, which include communities recently developed or acquired, redevelopment properties, sold or held for disposition properties, and non-apartment components of mixed use properties.

Three Months Ended September 30, 2024 vs. Three Months Ended September 30, 2023

The remaining 5.0%, or $14.2 million, of our total NOI during the three months ended September 30, 2024 was generated from our *Non-Mature Communities/Other*. NOI from *Non-Mature Communities/Other* increased by 35.0%, or $3.7 million, for the three months ended September 30, 2024 as compared to the same period in 2023. The increase was primarily attributable to an $5.0 million increase in stabilized, non-mature communities NOI due to development communities completed and communities acquired in 2023 becoming stabilized, partially offset by a $2.7 million decrease in sold and held for disposition communities NOI due to the sale of an operating community during the nine months ended September 30, 2024 and the partial sale of four operating communities in 2023.

Nine Months Ended September 30, 2024 vs. Nine Months Ended September 30, 2023

The remaining 6.4%, or $54.2 million, of our total NOI during the nine months ended September 30, 2024 was generated from our *Non-Mature Communities/Other*. NOI from *Non-Mature Communities/Other* increased by 13.2%, or $6.3 million, for the nine months ended September 30, 2024 as compared to the same period in 2023. The increase was primarily attributable to a $22.6 million increase in stabilized, non-mature communities NOI due to development communities completed and communities acquired in 2023 becoming stabilized and a $4.1 million increase in non-residential/other NOI primarily due to higher retail tenant rents partially offset by a $20.8 million decrease in sold and held for disposition communities NOI due to the sale of an operating community during the nine months ended September 30, 2024 and the partial sale of four operating communities in 2023.

Gain/(loss) on sale of real estate owned

For the nine months ended September 30, 2024, the Company recognized gain/(loss) on sale of real estate owned of $16.9 million as compared to $325.9 million on sale of real estate owned for the nine months ended September 30, 2023. The decrease in 2024 as compared to 2023 was attributable to the sale of an operating community located in Arlington, Virginia during the nine months ended September 30, 2024, as compared to the partial sale of four operating communities located in various markets during the nine months ended September 30, 2023.

Interest income and other income/(expense), net

For the three months ended September 30, 2024 and 2023, the Company recognized interest income and other income/(expense), net of $6.2 million and $(3.1) million, respectively. The increase in 2024 as compared to 2023 was primarily

due to $(0.5) million of unrealized losses from our direct investment in SmartRent during the three months ended September 30, 2024, as compared to $(8.3) million of unrealized losses during the three months ended September 30, 2023, and a $1.6 million increase in interest income from our notes receivables due to higher outstanding balances during the three months ended September 30, 2024, as compared the same period in 2023.

For the nine months ended September 30, 2024 and 2023, the Company recognized interest income and other income/(expense), net of $18.5 million and $8.4 million, respectively. The increase in 2024 as compared to 2023 was primarily due to an increase of $11.0 million in interest income from our notes receivables due to higher outstanding balances during the nine months end September 30, 2024, as compared to the same period in 2023, partially offset by $(1.3) million of unrealized losses from our direct investment in SmartRent during the nine months ended September 30, 2024, as compared to $(0.3) million of unrealized losses during the nine months ended September 30, 2023.

Interest expense

For the three months ended September 30, 2024 and 2023, the Company recognized interest expense of $50.2 million and $44.7 million, respectively. The increase in 2024 as compared to 2023 was primarily due to higher overall debt balances for the three months ended September 30, 2024, as compared to the three months ended September 30, 2023.

For the nine months ended September 30, 2024 and 2023, the Company recognized interest expense of $146.1 million and $133.5 million, respectively. The increase in 2024 as compared to 2023 was primarily due to higher overall debt balances for the nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023.

Other operating expenses

For the three months ended September 30, 2024 and 2023, the Company recognized other operating expenses of $6.4 million and $4.6 million, respectively. The increase in 2024 as compared to 2023 was primarily attributed to an increase in legal-related expenses and political contributions during the three months ended September 30, 2024, as compared to the same period of 2023.

For the nine months ended September 30, 2024 and 2023, the Company recognized other operating expenses of $20.8 million and $11.9 million, respectively. The increase in 2024 as compared to 2023 was primarily attributed to an increase in legal-related expenses and political contributions during the nine months ended September 30, 2024, as compared to the same period of 2023.

Income/(loss) from unconsolidated entities

For the three months ended September 30, 2024 and 2023, the Company recognized income/(loss) from unconsolidated entities of $(1.9) million and $5.5 million, respectively. The decrease in 2024 as compared to 2023 was primarily due to an $8.1 million non-cash impairment loss on one of the Company's preferred equity investments during the three months ended September 30, 2024 partially offset by joint ventures with losses during the same period in 2023 that have been sold.

For the nine months ended September 30, 2024 and 2023, the Company recognized income/(loss) from unconsolidated entities of $11.3 million and $24.9 million, respectively. The decrease in 2024 as compared to 2023 was primarily due to an $8.1 million non-cash impairment loss on one of the Company's preferred equity investments and a decrease in income from our joint ventures and preferred equity investments during the nine months ended September 30, 2024 as compared to the same period in 2023.

Casualty-related charges/(recoveries), net

For the three months ended September 30, 2024 and 2023, the Company recognized casualty-related charges/(recoveries), net of $1.5 million and $(1.9) million, respectively. The increase in 2024 as compared to 2023 was primarily attributable to an increase in claims due to severe weather events during the three months ended September 30, 2024 as compared to insurance recoveries from events during the same period in 2023.

For the nine months ended September 30, 2024 and 2023, the Company recognized casualty-related charges/(recoveries), net of $8.7 million and $3.4 million, respectively. The increase in 2024 as compared to 2023 was

primarily attributable to an increase in claims due to severe weather events during the nine months ended September 30, 2024 as compared to claims due to severe weather events partially offset by insurance recoveries during the same period in 2023.

General and administrative

For the three months ended September 30, 2024 and 2023, the Company recognized general and administrative expenses of $20.9 million and $15.2 million, respectively. The increase in 2024 as compared to 2023 was primarily attributed to the retirement of an officer, higher incentive and bonus accruals primarily driven by better Company performance, and annual market increases for personnel during the three months ended September 30, 2024, as compared to the same period in 2023.

For the nine months ended September 30, 2024 and 2023, the Company recognized general and administrative expenses of $58.8 million and $49.1 million, respectively. The increase in 2024 as compared to 2023 was primarily attributed to the retirement of an officer, higher incentive and bonus accruals primarily driven by better Company performance, and annual market increases for personnel during the nine months ended September 30, 2024, as compared to the same period in 2023.

Noncontrolling Interest

For the nine months ended September 30, 2024 and 2023, the Company recognized net income attributable to redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership of $6.7 million and $27.1 million, respectively. The decrease in 2024 as compared to 2023 was primarily attributed to the noncontrolling interests' share of the gain from the partial sale of four operating communities located in various markets during the nine months ended September 30, 2023, as compared to the sale of one operating community located in Arlington, Virginia in the same period of 2024.

Inflation

Inflation primarily impacts our results of operations as a result of wage pressures and increases in utilities and repair and maintenance costs. In addition, inflation could also impact our general and administrative expenses, the interest on our debt if variable or refinanced in a high-inflationary environment, our cost of capital, and our cost of development, redevelopment, maintenance or other operating activities. However, the majority of our apartment leases have initial terms of 12 months or less, which in an inflationary environment, and absent other factors such as increased supply, generally enables us to compensate for inflationary effects by increasing rents on our apartment homes. Although an extreme or sustained escalation in costs could have a negative impact on our residents and their ability to absorb rent increases, we do not believe this had a material impact on our results for the three and nine months ended September 30, 2024.

Funds from Operations, Funds from Operations as Adjusted, and Adjusted Funds from Operations

Funds from Operations

Funds from operations ("FFO") attributable to common stockholders and unitholders is defined 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 ("Nareit") definition issued in April 2002 and restated in November 2018. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry investors and analysts have considered the presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. Thus, Nareit created FFO as a supplemental measure of a REIT's operating performance. 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.

Funds from Operations as Adjusted

FFO as Adjusted ("FFOA") attributable to common stockholders and unitholders is defined as FFO excluding the impact of 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 FFOA is useful supplemental information regarding our operating performance as it provides a consistent comparison of our operating performance across time periods and enables investors to more easily compare our operating results with other REITs. FFOA 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. We believe that *Net income/(loss) attributable to common stockholders* is the most directly comparable GAAP financial measure to FFOA. However, other REITs may use different methodologies for calculating FFOA or similar FFO measures and, accordingly, our FFOA may not always be comparable to FFOA or similar FFO measures calculated by other REITs. FFOA 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.

Adjusted Funds from Operations

Adjusted FFO ("AFFO") attributable to common stockholders and unitholders is defined as FFOA less recurring capital expenditures on consolidated communities that are necessary to help preserve the value of and maintain functionality at our communities. Therefore, management considers AFFO a useful supplemental performance metric for investors as it is more indicative of the Company's operational performance than FFO or FFOA.

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. We believe 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 enables 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 flow 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.

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The following table outlines our reconciliation of *Net income/(loss) attributable to common stockholders* to FFO, FFOA, and AFFO for the three and nine months ended September 30, 2024 and 2023 (*dollars in thousands):*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income/(loss) attributable to common stockholders	**$ 21,400**	$ 31,637	**$ 90,991**	$ 407,741
Real estate depreciation and amortization	**170,276**	167,551	**510,622**	505,776
Noncontrolling interests	**1,480**	2,561	**6,771**	27,160
Real estate depreciation and amortization on unconsolidated joint ventures	**12,546**	13,149	**40,928**	29,329
Impairment loss from unconsolidated joint ventures	**8,083**	—	**8,083**	—
Net gain on the sale of depreciable real estate owned, net of tax	**—**	—	**(16,867)**	(324,770)
FFO attributable to common stockholders and unitholders, basic	**$ 213,785**	$ 214,898	**$ 640,528**	$ 645,236
Distributions to preferred stockholders — Series E (Convertible)	**1,197**	1,221	**3,638**	3,626
FFO attributable to common stockholders and unitholders, diluted	**$ 214,982**	$ 216,119	**$ 644,166**	$ 648,862
Income/(loss) per weighted average common share, diluted	**$ 0.06**	$ 0.10	**$ 0.28**	$ 1.24
FFO per weighted average common share and unit, basic	**$ 0.61**	$ 0.61	**$ 1.81**	$ 1.84
FFO per weighted average common share and unit, diluted	**$ 0.60**	$ 0.61	**$ 1.81**	$ 1.83
Weighted average number of common shares and OP/DownREIT Units outstanding — basic	**353,275**	351,271	**353,299**	350,534
Weighted average number of common shares, OP/DownREIT Units, and common stock equivalents outstanding — diluted	**357,226**	354,620	**356,811**	353,890
Impact of adjustments to FFO:				
Variable upside participation on preferred equity investment, net	**$ —**	$ —	**$ —**	$ (204)
Legal and other costs	**1,551**	364	**6,995**	(894)
Realized and unrealized (gain)/loss on real estate technology investments, net of tax	**3**	7,931	**(4,613)**	(179)
Severance costs	**3,018**	—	**4,550**	—
Casualty-related charges/(recoveries), net	**1,473**	(1,928)	**8,749**	3,362
Total impact of adjustments to FFO	**$ 6,045**	$ 6,367	**$ 15,681**	$ 2,085
FFOA attributable to common stockholders and unitholders, diluted	**$ 221,027**	$ 222,486	**$ 659,847**	$ 650,947
FFOA per weighted average common share and unit, diluted	**$ 0.62**	$ 0.63	**$ 1.85**	$ 1.84
Recurring capital expenditures, inclusive of unconsolidated joint ventures	**(29,898)**	(27,139)	**(73,496)**	(60,784)
AFFO attributable to common stockholders and unitholders, diluted	**$ 191,129**	$ 195,347	**$ 586,351**	$ 590,163
AFFO per weighted average common share and unit, diluted	**$ 0.54**	$ 0.55	**$ 1.64**	$ 1.67

The following table is our reconciliation of FFO share information to weighted average common shares outstanding, basic and diluted, reflected on the UDR Consolidated Statements of Operations for the three and nine months ended September 30, 2024 and 2023 *(shares in thousands):*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Weighted average number of common shares and OP/DownREIT Units outstanding — basic	**353,275**	351,271	**353,299**	350,534
Weighted average number of OP/DownREIT Units outstanding	**(23,854)**	(22,511)	**(24,198)**	(21,699)
Weighted average number of common shares outstanding — basic per the Consolidated Statements of Operations	**329,421**	328,760	**329,101**	328,835
Weighted average number of common shares, OP/DownREIT Units, and common stock equivalents outstanding — diluted	**357,226**	354,620	**356,811**	353,890
Weighted average number of OP/DownREIT Units outstanding	**(23,854)**	(22,511)	**(24,198)**	(21,699)
Weighted average number of Series E Cumulative Convertible Preferred shares outstanding	**(2,815)**	(2,908)	**(2,858)**	(2,908)
Weighted average number of common shares outstanding — diluted per the Consolidated Statements of Operations	**330,557**	329,201	**329,755**	329,283

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to interest rate changes associated with our commercial paper program and unsecured credit facility and other variable rate debt as well as refinancing risk on our fixed rate debt. The Company's involvement with derivative financial instruments is limited and we do not expect to use them for trading or other speculative purposes. The Company uses derivative instruments solely to manage its exposure to interest rates.

See our Annual Report on Form 10-K for the year ended December 31, 2023 under the heading "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" for a more complete discussion of our interest rate sensitive assets and liabilities. As of September 30, 2024, our market risk has not changed materially from the amounts reported in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 4. CONTROLS AND PROCEDURES

The disclosure controls and procedures of the Company are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. As a result, our disclosure controls and procedures are designed to provide reasonable assurance that such disclosure controls and procedures will meet their objectives.

As of September 30, 2024, we carried out an evaluation, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer of the Company, of the effectiveness of the design and operation of the disclosure controls and procedures of the Company. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer of the Company concluded that the disclosure controls and procedures of the Company are effective at the reasonable assurance level described above.

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the fiscal quarter to which this report relates that materially affected, or are reasonably likely to materially affect, the internal control over financial reporting of the Company.

PART II — OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The Company is a party to various claims and routine litigation arising in the ordinary course of business. We do not believe that the results of any such claims and litigation, individually or in the aggregate, will have a material adverse effect on our business, financial position or results of operations. As described in more detail in Note 13, *Commitments and Contingencies*, to the consolidated financial statements included in this report, we are currently a defendant, among other companies, in lawsuits related to our use of products licensed by RealPage, Inc.

Item 1A. RISK FACTORS

There are many factors that affect the business and the results of operations of the Company, some of which are beyond its control. The following is a description of important factors that may cause the Company's actual results in future periods to differ materially from those currently expected or discussed in forward-looking statements set forth in this Report relating to our financial results, operations and business prospects. Forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Report, and we expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in our 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 by law. These risks are not all of the risks we face and other factors not presently known to us or that we currently believe are immaterial may also affect our business if they occur.

Risks Related to Our Real Estate Investments and Our Operations

Unfavorable Apartment Market and Economic Conditions Could Adversely Affect Occupancy Levels, Rental Revenues and the Value of Our Real Estate Assets. Unfavorable market conditions in the areas in which we operate or unfavorable economic conditions generally, may significantly affect our occupancy levels, our rental rates and collections, the value of our properties and our ability to acquire or dispose of apartment communities on economically favorable terms. Our ability to lease our properties at favorable rates is adversely affected by the increase in supply in the multifamily and other rental markets and is dependent upon the overall level in the economy, which is adversely affected by, among other things, job losses and unemployment levels, recession, debt levels, housing markets, stock market volatility and uncertainty about the future. Our major expenses generally do not decline when related rents decline. We would expect that declines in our occupancy levels and rental and other revenues would cause us to have less cash available to pay our indebtedness and to distribute to our stockholders, which could adversely affect our financial condition or the market value of our securities. Factors that have in the past and may in the future affect our occupancy levels, our rental revenues, and/or the value of our properties include the following, among others:

- downturns in global, national, regional and local economic conditions, particularly increases in unemployment;
- declines in mortgage interest rates, making alternative housing options more affordable;
- government or builder incentives with respect to home ownership, making alternative housing options more attractive;
- local real estate market conditions, including oversupply of, or reduced demand for, apartment homes;
- declines in the financial condition of our tenants, which may make it more difficult for us to collect rents from some tenants;
- changes in market rental rates;
- our ability to renew leases or re-lease space on favorable terms;
- the timing and costs associated with property improvements, repairs or renovations;
- changes in household formation; and
- rent control or stabilization laws, or other laws regulating or impacting rental housing, which could prevent us from raising rents to offset increases in operating costs or otherwise impact us.

The Geographic Concentration of Our Communities in Certain Markets Could Have an Adverse Effect on Our Operations if a Particular Market is Adversely Impacted by Economic or Other Conditions. For the nine months ended September 30, 2024, approximately 73.1% of our total NOI was generated from communities located in Metropolitan D.C. (14.9%), Boston, MA (11.4%), Orange County, CA (11.1%), the San Francisco Bay Area, CA (8.4%), Dallas, TX (8.2%), New York, NY (7.6%), Seattle, WA (6.1%) and Tampa, FL (5.4%). As a result, if any one or more of these markets is adversely impacted by regional or local economic conditions or real estate market conditions, such conditions may have a greater adverse impact on our results of operations than if our portfolio was more geographically diverse. In addition, if one or more of these markets is adversely affected by changes in regional or local regulations, including those related to rent control or stabilization, such regulations may have a greater adverse impact on our results of operations than if our portfolio was more geographically diverse.

We May Be Unable to Renew Leases or Relet Apartment Units as Leases Expire, or the Terms of Renewals or New Leases May Be Less Favorable Than Current Leases. When our residents decide to leave our apartments, whether because their leases are not renewed or they leave prior to their lease expiration date, we may not be able to relet their apartment units. Even if leases are renewed or we can relet the apartment units, the terms of renewal or reletting may be less favorable to us than current lease terms. Furthermore, because the majority of our apartment leases have initial terms of 12 months or less, our rental revenues are impacted by declines in market rents more quickly than if our leases were for longer terms. If we are unable to promptly renew the leases or relet the apartment units, or if the rental rates upon renewal or reletting are lower than expected rates, then our results of operations and financial condition may be adversely affected. If residents do not experience increases in their income or if they experience decreases in their income or job losses, we may be unable to increase or maintain rent and/or delinquencies may increase.

We Face Certain Risks Related to Our Retail and Commercial Space. Certain of our properties include retail or commercial space that we lease to third parties. The long-term nature of our retail and commercial leases (generally five to ten years with market-based or fixed-price renewal options) and the characteristics of many of our tenants (small and/or local businesses) may subject us to certain risks. The longer-term leases could result in below market lease rates over time, particularly in an inflationary environment. We may require guarantees and other credit support which may prove to be inadequate or uncollectable, and the failure rate of small and/or local businesses may be higher than average. We may not be able to lease new space for rents that are consistent with our projections or for market rates. Also, when leases for our retail or commercial space terminate either at the end of the lease or because a tenant leaves early, the space may, and spaces have in the past, take longer than expected to relet, may not be relet or the terms of reletting, including the cost of allowances and concessions to tenants, may be less favorable than the prior lease terms, or we may incur additional expenses related to modifications of the spaces in order to satisfy new tenants. Our properties compete with other properties with retail or commercial space. The presence of competitive alternatives may adversely affect our ability to lease space and the level of rents we can obtain. Our retail or commercial tenants may experience financial distress or bankruptcy, or may fail to comply with their contractual obligations, and may seek concessions in order to continue operations or cease their operations, all of which have happened in the past and may occur again in the future, which could adversely impact our results of operations and financial condition.

We Face Risks Related to Inflation/Deflation. Substantial inflationary or deflationary pressures could have a negative effect on rental rates and property operating expenses. The U.S. economy has during certain periods over the last few years experienced high rates of inflation, which has increased our operating expenses due to higher third party vendor costs and increased our interest expense due to higher interest rates on our variable rate debt. Although the short-term nature of our apartment leases may, absent other factors, enable us to compensate for inflationary effects by increasing rents on our apartment homes, an extreme or sustained escalation in costs could have a negative impact on our residents and their ability to absorb rent increases. The general risk of inflation is that interest on our debt, general and administrative expenses, materials costs, labor costs, and other expenses increase at a rate faster than increases in our rental rates, which could adversely affect our financial condition or results of operations.

We Are Subject to Certain Risks Associated with Selling Apartment Communities, Which Could Limit Our Operational and Financial Flexibility. We periodically dispose of apartment communities that no longer meet our strategic objectives, but adverse market conditions, among other factors, may make it difficult to sell apartment communities we own. We cannot predict whether we will be able to sell any property for the price or on the terms we set, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser or to close the sale of a property. Furthermore, we may be required to expend funds to correct defects or to make improvements before a property can be sold or the purchase price may be reduced to cover any cost of correcting defects or making improvements. These conditions may limit our ability to dispose of properties and to change our portfolio in order to meet our strategic objectives, which could in turn adversely affect our financial condition, results of operations or our

ability to fund other activities in which we may want to engage such as the purchase of properties, development or redevelopment, or funding the Debt and Preferred Equity Program. We are also subject to the following risks in connection with sales of our apartment communities, among others:

- a significant portion of the proceeds from some property sales may be held by intermediaries in order for such sales to qualify as like-kind exchanges under Section 1031 of the Internal Revenue Code of 1986, as amended, or the "Code," so that any related capital gain can be deferred for federal income tax purposes. As a result, we may not have immediate access to all of the cash proceeds generated from our property sales; and
- federal tax laws limit our ability to profit on the sale of communities or interests in communities that we have owned for less than two years, and this limitation may prevent us from selling communities when market conditions are favorable or that we may otherwise desire to sell.

Competition Could Limit Our Ability to Lease Apartment Homes or Increase or Maintain Rents. Our apartment communities compete with numerous housing alternatives in attracting residents, including other apartment communities, condominiums and single-family rental homes, as well as owner occupied single- and multi-family homes. Competitive housing in a particular area, including new supply, could adversely affect our ability to lease apartment homes and increase or maintain rents, which could materially and adversely affect our results of operations and financial condition.

We May Not Realize the Anticipated Benefits of Past or Future Acquisitions, and the Failure to Integrate Acquired Communities and New Personnel Successfully Could Create Inefficiencies. We have acquired in the past, and if presented with attractive opportunities we intend to acquire in the future, apartment communities that meet our investment criteria. Our acquisition activities and their success are subject to the following risks, among others:

- we may be unable to obtain financing for acquisitions on favorable terms, or at all, which could cause us to delay or even abandon potential acquisitions;
- if we chose and are able to finance an acquisition with debt, cash flow from the acquisition may be insufficient to meet our required principal and interest payments on the debt used to finance the acquisition;
- even if we enter into an acquisition agreement for an apartment community, we may not complete the acquisition for a variety of reasons after incurring certain acquisition-related costs;
- we may incur significant costs and divert management attention in connection with the evaluation and negotiation of potential acquisitions, including potential acquisitions that we subsequently do not complete;
- when we acquire an apartment community, we may invest additional amounts in it with the intention of increasing profitability, and these additional investments may not produce the anticipated improvements in profitability;
- the expected occupancy rates, rental rates and expenses may differ from actual results; and
- we may be unable to quickly and efficiently integrate acquired apartment communities and new personnel into our existing operations, and the failure to successfully integrate such apartment communities or personnel will result in inefficiencies that could materially and adversely affect our expected return on our investments and our overall profitability.

Competition Could Adversely Affect Our Ability to Acquire Properties. In the past, other real estate investors, including insurance companies, pension and investment funds, developer partnerships, investment companies and other public and private apartment REITs, have competed with us to acquire existing properties and to develop new properties, and such competition in the future may limit attractive investment opportunities, which could adversely affect our ability to grow or acquire properties profitably or with attractive returns.

Development and Construction Risks Could Impact Our Profitability. In the past we have pursued the development and construction of apartment communities, and we intend to do so in the future as appropriate opportunities arise. Development activities have been, and in the future may be, conducted through wholly-owned affiliated companies or through joint ventures with unaffiliated parties. Our development and construction activities are subject to the following risks, among others:

- if we chose to seek construction financing we may be unable to obtain such financing for development activities on favorable terms, or at all, which could cause us to delay or even abandon potential developments;

- we may experience supply chain constraints, which could result in increased development costs or delay initial occupancy dates for all or a portion of a development community;
- we may be unable to obtain, or face delays in obtaining, necessary zoning, land-use, building, occupancy and other required governmental or quasi-governmental permits and authorizations, which could result in increased development costs, delay initial occupancy dates for all or a portion of a development community, and require us to abandon our activities entirely with respect to a project for which we are unable to obtain permits or authorizations;
- costs may be higher or yields may be less than anticipated as a result of delays in completing projects, costs that exceed budget, defaults by our counterparties, and/or higher than expected concessions for lease-up and lower rents than expected;
- we may abandon development opportunities that we have already begun to explore, and we may be unable to recover expenses already incurred in connection with exploring such development opportunities;
- we may be unable to complete construction and lease-up of a community on schedule, or we may incur development or construction costs that exceed our original estimates, and we may be unable to charge rents that would compensate for any increase in such costs;
- occupancy rates, rents and concessions at a newly developed community may fluctuate depending on a number of factors, including market and economic conditions, preventing us from meeting our expected return on our investment and our overall profitability goals; and
- when we sell communities or properties that we developed or renovated to third parties, we may be subject to warranty or construction defect claims that are uninsured or exceed the limits of our insurance.

An Epidemic, Pandemic or Other Health Crisis, and Measures Intended to Prevent the Spread of Such an Event, Could Have a Material Adverse Effect on our Business, Results of Operations, Cash Flows and Financial Condition. We face risks related to an epidemic, pandemic or other health crisis, which have impacted, and in the future could impact, the markets in which we operate and could have a material adverse effect on our business, results of operations, cash flows and financial condition. The impact of an epidemic, pandemic or other health crisis, and measures to prevent the spread of such an event, could materially and adversely affect our business in a number of ways.

State, local, and federal governments also have increased, and may in the future increase, property taxes or other taxes or fees, or may enact new taxes or fees, in order to increase revenue in connection with an epidemic, pandemic or other health crisis, which has in the past increased, and may in the future increase, our expenses. Our development and construction projects, including those in our Debt and Preferred Equity Program, also have been and could in the future be adversely affected by factors related to an epidemic, pandemic or other health crisis. An epidemic, pandemic or other health crisis, or related impacts thereof also could adversely affect the businesses and financial conditions of our counterparties, including our joint venture partners, participants in the Debt and Preferred Equity Program, and general contractors and their subcontractors, and their ability to satisfy their obligations to us and to complete transactions or projects with us as intended.

Bankruptcy or Defaults of Our Counterparties Could Adversely Affect Our Performance. We have relationships with and we execute transactions with or receive services from many counterparties, such as general contractors engaged in connection with our development activities, borrowers, or joint venture partners, among others. As a result, bankruptcies or defaults by these counterparties or their subcontractors have resulted in, and in the future could result in, services not being provided as expected, projects not being completed on time, on budget, or at all, or contractual obligations to us not being satisfied. Further, volatility in the financial markets and economic weakness could affect the counterparties' ability to complete transactions with us as intended. Either circumstance could result in disruptions to our operations that may adversely affect our financial condition and results of operations.

Property Ownership Through Partnerships and Joint Ventures May Limit Our Ability to Act Exclusively in Our Interest. We have in the past and may in the future develop and/or acquire properties through partnerships and joint ventures, including those in which we own a preferred interest, with other persons or entities when we believe circumstances warrant the use of such structures. As of September 30, 2024, we had active unconsolidated joint ventures and partnerships, including our preferred equity investments, with a total equity investment of $966.2 million. We have in the past, and could in the future, become engaged in a dispute with one or more of our partners which could adversely impact us. Moreover, our partners may have business, economic or other objectives that are inconsistent with our objectives, including objectives that relate to the appropriate timing and terms of any sale or refinancing of a property. In some instances, our partners may have competing interests in our markets that could create conflicts of interest. Also, our partners have in the past failed and may in the future

fail to make capital contributions when due and our partners or the project may otherwise not act or perform as expected, which may require us to contribute additional capital, acquire our partner's interest or other property, or take other actions that may negatively impact the project or our return. In addition, we may be responsible to our partners for indemnifiable losses. In general, we and our partners may each have the right to trigger a buy-sell or other similar arrangement, which arrangement or other factors could cause us to sell our interest, or acquire our partner's interest or other property, at a time when we otherwise would not have initiated such a transaction and may result in the valuation of our interest in the partnership or joint venture (if we are the seller) or of the other partner's interest in the partnership or joint venture (if we are the buyer) at levels which may not be representative of the valuation that would result from an arm's length marketing process and could cause us to recognize unanticipated capital gains or losses or the loss of fee income.

We may also be subject to other risks in connection with partnerships or joint ventures, including (i) a deadlock if we and our partner are unable to agree upon certain major and other decisions (which could result in litigation or disposing of an asset at a time at which we otherwise would not sell the asset), (ii) limitations on our ability to liquidate our position in the partnership or joint venture without the consent of the other partner, and (iii) requirements to provide guarantees in favor of lenders with respect to the indebtedness of the joint venture.

We May Not be Permitted to Dispose of Certain Properties or Pay Down the Indebtedness Associated with Those Properties When We Might Otherwise Desire to Do so Without Incurring Additional Costs. In connection with certain property acquisitions, we have agreed with the sellers that we will not dispose of the acquired properties or reduce the mortgage indebtedness on such properties for significant periods of time unless we pay certain of the resulting tax costs of the sellers or dispose of the property in a transaction in which a gain is not recognized for federal income tax purposes by such sellers, and we may enter into similar agreements in connection with future property acquisitions. These agreements could result in us retaining properties that we would otherwise sell or not paying down or refinancing indebtedness that we would otherwise pay down or refinance. However, subject to certain conditions, we retain the right to substitute other property or debt to meet these obligations to the sellers.

We Could Incur Significant Insurance Costs and Some Potential Losses May Not Be Adequately Covered by Insurance or Reserves. We have a comprehensive insurance program covering our properties and operating activities with limits of liability, deductibles and self-insured retentions that we believe are comparable to similarly situated companies, including within the multifamily industry. We believe the policy specifications and insured limits of these policies are adequate and appropriate. There are, however, certain types of extraordinary losses that may not be adequately covered under our insurance program. In addition, we will sustain losses due to insurance deductibles, self-insured retention, uninsured claims or casualties, or losses in excess of applicable coverage.

If an uninsured loss or a loss in excess of insured limits occurs, we could lose all or a portion of the capital we have invested in a property, as well as the future revenue from the property. In such an event, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the property. Material losses in excess of insurance proceeds may occur in the future. If one or more of our properties were to experience a catastrophic loss, it could seriously disrupt our operations, delay revenue and result in large expenses to repair or rebuild the property. Such events could materially and adversely affect our financial condition and results of operations.

The cost of insuring our apartment communities and our operations is a component of expense. Insurance premiums and the terms and conditions of insurance policies are subject to significant fluctuations and changes, including recent increases in premiums, which are generally outside of our control. We insure our properties and our operations with insurance companies that we believe have a good rating at the time our policies are put into effect. The financial condition of one or more insurance companies that insure us may be negatively impacted, which could result in their inability to pay on future insurance claims. Their inability to pay future claims may have a negative impact on our financial results. In addition, the failure, or exit or partial exit from an insurance market, of one or more insurance companies or other changes in insurance markets in general may affect our ability to obtain insurance coverage in the amounts that we seek, or at all, increase the costs to renew or replace our insurance policies, cause us to self-insure a larger portion of the risk, or increase the cost of insuring properties.

Failure to Succeed in New Markets May Limit Our Growth. We have acquired in the past, and we may acquire in the future if opportunities we believe are appropriate arise, apartment communities that are outside of our existing markets. Entering into new markets may expose us to a variety of risks, and we may not be able to operate successfully in new markets. These risks include, among others:

- inability to accurately evaluate local apartment market conditions and local economies;

- inability to hire and retain key personnel;
- lack of familiarity with local governmental and permitting procedures; and
- inability to achieve budgeted financial results.

Failure to Succeed with New Initiatives May Limit Our Ability to Grow NOI. We have in the past developed and may in the future develop initiatives that are intended to drive operating efficiencies and grow NOI, including smart home technologies and self-service options that are accessible to residents through smart devices or otherwise. Such initiatives in the past have involved and in the future may involve our associates having new or different responsibilities and processes. We may incur significant costs and divert resources in connection with such initiatives, and these initiatives may not perform as projected, which could adversely affect our results of operations and the market price of our common stock.

Potential Liability for Environmental Contamination Could Result in Substantial Costs. Under various federal, state and local environmental laws, as a current or former owner or operator of real estate, we could be required to investigate and remediate the effects of contamination of currently or formerly owned real estate by hazardous or toxic substances, often regardless of our knowledge of or responsibility for the contamination and solely by virtue of our current or former ownership or operation of the real estate. In addition, we could be held liable to a governmental authority or to third parties for property damage and for investigation and clean-up costs incurred in connection with the contamination or we could be required to incur additional costs to change how the property is constructed or operated due to presence of such substances. These costs could be substantial, and in many cases environmental laws create liens in favor of governmental authorities to secure their payment. The presence of such substances or a failure to properly remediate any resulting contamination could materially and adversely affect our ability to borrow against, sell or rent an affected property.

In addition, our properties are subject to various federal, state and local environmental, health and safety laws, including laws governing the management of wastes and underground and aboveground storage tanks. Noncompliance with these environmental, health and safety laws could subject us to liability. Changes in laws could increase the potential costs of compliance with environmental laws, health and safety laws or increase liability for noncompliance. This may result in significant unanticipated expenditures or may otherwise adversely affect our financial condition and results of operations.

As the owner or operator of real property, we may also incur liability based on various building conditions. For example, buildings and other structures on properties that we currently own or operate or those we acquire or operate in the future contain, may contain, or may have contained, asbestos-containing material, or ACM, or other hazardous substances. Environmental, health and safety laws require that ACM and other hazardous substances be properly managed and maintained and may impose fines or penalties on owners, operators or employers for non-compliance with those requirements.

These requirements include special precautions, such as removal, abatement or air monitoring, if ACM would be disturbed during maintenance, renovation or demolition of a building, potentially resulting in substantial costs. In addition, we may be subject to liability for personal injury or property damage sustained as a result of exposure to ACM or other hazardous substances or releases of ACM or other hazardous substances into the environment.

We cannot assure you that costs or liabilities incurred as a result of environmental or building condition issues will not adversely affect our financial condition and results of operations.

Our Properties May Contain or Develop Harmful Mold or Suffer from Other Indoor Air Quality Issues, Which Could Lead to Liability for Adverse Health Effects or Property Damage or Cost for Remediation. When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources, and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of our properties could require us to undertake a costly remediation program to contain or remove the mold or other airborne contaminants or to increase ventilation, which could adversely affect our results of operations and cash flows. In addition, the presence of significant mold or other airborne contaminants could expose us to liability from our tenants or others for property damage or personal injury.

Compliance or Failure to Comply with the Americans with Disabilities Act of 1990 or Other Safety Regulations and Requirements Could Result in Substantial Costs. The Americans with Disabilities Act of 1990, as amended (the "Americans

with Disabilities Act") generally requires that public buildings, including our properties and other public facing functions related to our business, our website, be made accessible to disabled persons. Noncompliance could result in the imposition of fines by the federal government or the award of damages to private litigants. Claims have been asserted, and in the future claims may be asserted, against us with respect to some of our properties or operations under the Americans with Disabilities Act. If, under the Americans with Disabilities Act, we are required to make substantial alterations and capital expenditures in one or more of our properties or otherwise related to our operations, including the removal of access barriers, it could adversely affect our financial condition and results of operations. In addition, if claims arise, we may expend resources and incur costs in investigating and resolving such claims even if we or our property was in compliance with the law.

Our properties are subject to various federal, state and local regulatory requirements, such as state and local fire and life safety requirements and federal, state and local accessibility requirements in addition to those imposed by the Americans with Disabilities Act. If we fail to comply with these requirements, we could incur fines or private damage awards. We do not know whether existing requirements will change or whether compliance with future requirements will require significant unanticipated expenditures that could adversely affect our financial condition or results of operations.

The Adoption of, or Changes to, Rent Control, Rent Stabilization, Eviction, Tenants' Rights and Similar Laws and Regulations in Our Markets Could Have an Adverse Effect on Our Results of Operations and Property Values. Various state and local governments as well as the federal government have enacted and may continue to enact rent control, rent stabilization, or limitations, and similar laws, regulations and policies, including laws or court orders, that could limit our ability to raise rents or charge certain fees which could have a retroactive effect. For example, in June 2019, the State of New York enacted new rent control regulations known as the Housing Stability and Tenant Protection Act of 2019, in October of 2019, the State of California enacted the Tenant Protection Act of 2019, and in September 2024, the City of Salinas passed a rent stabilization ordinance. In some cases the increases in rents allowed by such regulations may not offset increases in expenses, whether such increases in expenses are due to inflation or otherwise. We have seen a recent increase in governments enacting or considering, or being urged to consider, such laws and regulations. Federal, state and local governments or courts also have made, and may make in the future, changes to laws related to allowable fees and rents, eviction and other tenants' rights laws and regulations (including changes that apply retroactively) that could adversely impact our results of operations and the value of our properties. Laws and regulations regarding rent control, rent stabilization, eviction, tenants' rights, allowable fees, and other matters, as well as any lawsuits against us arising from such laws and regulations, may limit our ability to charge market rents, increase rents, evict delinquent tenants or charge fees, or recover increases in our operating expenses, which could have an adverse effect on our results of operations and the value of our properties. In addition, the increases in regulations applicable to our business in general may increase our costs of compliance and could have an adverse effect on our financial performance.

Compliance with or Changes in Real Estate Tax and Other Laws and Regulations Could Adversely Affect Our Funds from Operations and Our Ability to Make Distributions to Stockholders. We are subject to federal, state and local laws, regulations, rules and ordinances at locations where we operate regarding a wide variety of matters that could affect, directly or indirectly, our operations. Generally, we do not directly pass through costs resulting from compliance with or changes in real estate tax laws to residential property tenants. We also do not generally pass through increases in income, service or other taxes to tenants under leases. These costs may adversely affect net operating income and the ability to make distributions to stockholders. Similarly, compliance with or changes in (i) laws increasing the potential liability for environmental conditions existing on properties or the restrictions on discharges or other conditions, (ii) laws and regulations regulating housing, such as the Americans with Disabilities Act and the Fair Housing Amendments Act of 1988, or (iii) employment related laws, among others, may result in significant unanticipated expenditures, which could adversely affect our financial condition and results of operations. In addition, changes in federal and state legislation and regulation on climate change may result in increased capital expenditures to improve the energy efficiency of our existing communities and also may require us to spend more on our new development communities without a corresponding increase in revenue. In addition, existing laws could be interpreted in a manner that restricts our ability to use systems that we currently use in our operations and we may face litigation or regulatory risk in connection with such laws. Future compliance with new laws of general applicability, laws applicable to companies in our industry, or laws applicable to public companies generally could increase our costs and could have an adverse effect on our financial performance.

Risk of Litigation. From time to time, we are involved in legal proceedings, lawsuits, and other claims with respect to our properties or operations. For example, we are currently a defendant in a consolidated class action lawsuit and a lawsuit filed by the District of Columbia involving RealPage, which is one of our vendors. An unfavorable resolution of any litigation may have a material adverse effect on our business, results of operations and financial condition. Further, being involved in litigation, whether the result is favorable or unfavorable, could negatively impact our reputation. Additionally, litigation has in

the past and may in the future result in substantial costs and expenses and could significantly divert the attention of management.

Risk of Damage from Catastrophic Weather and Natural Events. Our communities are located in areas that have experienced, and in the future may experience, catastrophic weather and other natural events from time to time, including mudslides, fires, hurricanes, tornadoes, floods, deep freezes, snow or ice storms, or other severe inclement weather. These adverse weather and natural events could cause damage or losses that may be greater than insured levels. In the event of a loss in excess of insured limits, we could lose our capital invested in the affected community, as well as anticipated future revenue from that community. We would also continue to be obligated to repay any mortgage indebtedness or other obligations related to the community. Any such loss could adversely affect our financial condition and results of operations.

Risk of Potential Climate Change. To the extent significant changes in the climate in areas where our communities are located occur, we may experience extreme weather conditions and changes in precipitation and temperature or water levels, all of which could result in physical damage to, and/or a decrease in demand for, our communities located in these areas or communities that are otherwise affected by these changes. Should the impact of such climate changes be material in nature, or occur for lengthy periods of time, our financial condition and results of operations could be adversely affected.

Risk of Earthquake Damage. Some of our communities are located in areas subject to earthquakes, including in the general vicinity of earthquake faults. We cannot assure you that an earthquake would not cause damage or losses greater than insured levels. In the event of a loss in excess of insured limits, we could lose our capital invested in the affected community, as well as anticipated future revenue from that community. We may also continue to be obligated to repay any mortgage indebtedness or other obligations related to the community. Any such loss could adversely affect our financial condition and results of operations. Insurance coverage for earthquakes can be costly due to limited industry capacity. As a result, we may experience shortages in desired coverage levels if market conditions are such that insurance is not available or the cost of insurance makes it, in management’s view, economically impractical.

Risk of Accidental Death or Injury Due to Fire, Natural Disasters or Other Hazards. The accidental death or injury of persons living in our communities due to fire, natural disasters, other hazards, or acts or omissions of third parties could have an adverse effect on our business and results of operations. Our insurance coverage may not cover all losses associated with such events, and we may experience difficulty marketing communities where any such events have occurred, which could have an adverse effect on our financial condition and results of operations.

Actual or Threatened Terrorist Attacks May Have an Adverse Effect on Our Business and Operating Results and Could Decrease the Value of Our Assets. Actual or threatened terrorist attacks and other acts of violence, destruction or war could have an adverse effect on our business and operating results. Attacks or other similar actions that directly impact one or more of our apartment communities could significantly affect our ability to operate those communities and thereby impair our ability to achieve our expected results. Further, our insurance coverage may not cover all losses caused by a terrorist attack or similar events. In addition, the adverse effects that such violent acts and threats of future attacks could have on the U.S. economy could similarly have an adverse effect on our financial condition and results of operations.

Mezzanine Loan or Other Loan Assets Involve Greater Risks of Loss than Senior Loans Secured by Income-Producing Properties. We have originated in the past and may in the future originate mezzanine loans, which take the form of subordinated loans secured by second mortgages on the underlying property, which may be under development, or subordinated loans secured by a pledge of the ownership interests of either the entity owning the property, which may be under development, or a pledge of the ownership interests of the entity that owns the interest in the entity owning the property, which may be under development, or loans that are not secured. Mezzanine loans may involve a higher degree of risk than a senior mortgage secured by real property, because the security for the loan may lose all or substantially all of its value as a result of foreclosure by the senior lender and because it is in second position and there may not be adequate equity in the property. Unsecured loans involve higher risk by virtue of being unsecured. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, we may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy our mezzanine loan. If a borrower defaults on our loan or debt senior to our loan, or in the event of a borrower bankruptcy, our mezzanine or other loan will be satisfied only after the senior debt. As a result, we may not recover some of or all our investment. In addition, mezzanine loans typically have higher loan-to-value ratios than conventional mortgage loans, resulting in less equity in the property and increasing the risk of loss of principal. Further, foreclosing on our security interest may be delayed or otherwise impacted by the existence of the senior loan, the senior lender’s decision regarding whether to enforce its remedies, or the timing of the senior lender’s foreclosure or enforcement of other remedies with respect to such loan. If there is a default on the senior debt or an inability to refinance the senior debt, we may contribute additional capital or take other actions that we would not otherwise pursue absent such default or failure. In

addition, in the event of a default or other changes in the circumstances of an investment, including a change in the value of the applicable property, we may be required to change the manner in which the investment is accounted for, including our ability to recognize earnings, or to recognize an allowance for loan loss or a loss on consolidation.

Risk Related to Preferred Equity Investments. We have made in the past and may in the future make preferred equity investments in corporations, limited partnerships, limited liability companies or other entities that have been formed for the purpose of directly or indirectly acquiring, developing and/or managing real property. Generally, we will not have the ability to control the daily operations of the entity, and we will not have the ability to select or remove a majority of the members of the board of directors, managers, general partner or partners or similar governing body of the entity or otherwise control its operations. Although we have sought and would seek to maintain sufficient influence over the entity to achieve our objectives, our partners may have interests that differ from ours and may be in a position to take actions without our consent that are inconsistent with our interests. Further, if our partners were to fail to invest additional capital in the entity when required, which has happened in the past, or otherwise do not perform as expected, we may have to invest additional capital to protect our investment. Our partners have in the past failed, and may in the future fail, to develop or operate the real property, operate the entity, refinance property indebtedness or sell the real property in the manner intended and as a result the entity may not be able to redeem our investment or pay the return expected to us in a timely manner or at all. In addition, we may not be able to dispose of our investment in the entity in a timely manner or at the price at which we would want to divest or at all. Further, the entity may need to refinance third-party debt on terms that are inconsistent with our interests or are terms on which we would not elect to incur debt, or the entity may default on third-party debt. To the extent the entity defaults on third-party debt or is unable to refinance such debt or a portion thereof, we may acquire such debt or otherwise take action, including contributing additional capital, to protect our position that we would not take absent the default or inability to refinance. Such activities have in the past involved and may in the future involve foreclosing on the security interest in the property secured by such debt or seeking a deed-in-lieu of foreclosure or similar remedy, and such activities may involve costs or delays or create other risks, including the risk of claims from our partners. In the event that such an entity fails to meet expectations, defaults on its debt, or becomes insolvent or the investment or the underlying property otherwise does not perform as expected, we may lose all or part of our investment in the entity, be delayed in recovering our investment or the expected returns or directly or indirectly take over the property or the management thereof at a time at which we would not done so absent the failure to meet expectations or the default. In addition, in the event of a default or other changes in the circumstances of an investment, including a change in the value of the applicable property, we may be required to change the manner in which the investment is accounted for, including our ability to recognize earnings, or recognize an impairment or a loss on consolidation.

Risks Related to Ground Leases. We have entered into in the past and may in the future enter into, as either landlord or tenant, a long-term ground lease with respect to a property or a portion thereof. Such ground leases may contain a rent reset provision that requires both parties to agree to a new rent or is based upon factors, for example fair market rent, that are not objective and are not within our control. We may not be able to agree with the counterparty to a revised rental rate, or the revised rental rate may be set by external factors, which could result in a different rental rate than we forecasted. In the past we have had disagreements with respect to revised rental rates and certain of such disagreements have gone to arbitration (for resolution as provided in the applicable lease agreement) and have been resolved in a manner adverse to us. In addition, the other party may not perform as expected under the ground lease or there may be a dispute with the other party to the ground lease. Any of these circumstances could have an adverse effect on our business, financial condition or operating results.

We May Experience a Decline in the Fair Value of Our Assets and Be Forced to Recognize Impairment Charges, Which Could Adversely Impact Our Financial Condition, Liquidity and Results of Operations and the Market Price of Our Common Stock. A decline in the fair value of our assets may require us to recognize an impairment against such assets under generally accepted accounting principles as in effect in the United States ("GAAP") if we were to determine that, with respect to any assets in unrealized loss positions, we do not have the ability and intent to hold such assets for a period of time sufficient to allow for recovery to the amortized cost of such assets. If such a determination were to be made, we would recognize unrealized losses through earnings and write down the amortized cost of such assets to a new cost basis, based on the fair value of such assets on the date they are considered to be impaired. Such impairment charges reflect non-cash losses at the time of recognition; subsequent disposition or sale of such assets could further affect our future losses or gains, as they are based on the difference between the sale price received and adjusted amortized cost of such assets at the time of sale. If we are required to recognize asset impairment charges in the future, these charges could adversely affect our financial condition, liquidity, results of operations and the market price of our common stock.

Any Material Weaknesses Identified in Our Internal Control Over Financial Reporting Could Have an Adverse Effect on the Market Price of Our Common Stock. Section 404 of the Sarbanes-Oxley Act of 2002 requires us to evaluate and report on our internal control over financial reporting. If we fail to maintain the adequacy of our internal controls over financial reporting, including any failure to implement required new or improved controls as a result of changes to our business or

otherwise, or if we experience difficulties in their implementation, our business, results of operations and financial condition could be materially and adversely affected and we could fail to meet our reporting obligations. In addition, if we have one or more material weaknesses in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which in turn could have an adverse effect on the market price of our common stock.

A Breach of Information Technology Systems On Which We Rely Could Materially and Adversely Impact Our Business, Financial Condition, Results of Operations and Reputation. We rely on information technology systems, including the internet and networks and systems and software developed, maintained and controlled by third party vendors and other third parties, to process, transmit and store information and to manage or support our business processes. Third party vendors may collect and hold personally identifiable information and other confidential information of our tenants, prospective tenants and employees. We also maintain such information and financial and business information regarding us and persons and entities with which we do business on our information technology systems. While we take steps, and generally require third party vendors to take steps, to protect the security of the information maintained in our and third party vendors' information technology systems, including associate training and testing and the use of commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing of the information, it is possible that our or our third party vendors' security measures will not be able to prevent human error or the systems' or software's improper functioning, or the loss, misappropriation, disclosure or corruption of personally identifiable information or other confidential or sensitive information, including information about our tenants and employees. Cybersecurity breaches, including physical or electronic break-ins, computer viruses, malware, phishing scams, attacks by hackers, breaches due to employee error or misconduct, and similar breaches, can create system disruptions, shutdowns or unauthorized access to information maintained on our information technology systems or the information technology systems of our third party vendors or other third parties or otherwise cause disruption or negative impacts to occur to our business and adversely affect our financial condition and results of operations. While we maintain cyber risk insurance to provide some coverage for certain risks arising out of cybersecurity breaches, there is no assurance that such insurance would cover all or a significant portion of the costs or consequences associated with a cybersecurity breach or other occurrence or that such insurance will continue to be available at rates that we consider reasonable or at all. We have in the past experienced cybersecurity breaches on our information technology systems or relating to software or third party vendor systems that we utilize, and, while none to date have been material to us, we expect such breaches may occur in the future. As the techniques used to obtain unauthorized access to information technology systems become more varied and sophisticated and the occurrence of such breaches becomes more frequent, we and our third party vendors and other third parties may be unable to adequately anticipate these techniques or breaches or implement appropriate preventative measures. Any failure to prevent cybersecurity breaches and maintain the proper function, security and availability of our or our third party vendors' and other third parties' information technology systems could interrupt our operations, damage our reputation and brand, damage our competitive position, make it difficult for us to attract and retain residents or other tenants, and subject us to liability claims or regulatory penalties that could adversely affect our business, financial condition and results of operations.

Our Business and Operations Would Suffer in the Event of Information Technology System Failures. Despite system redundancy and the existence of disaster recovery plans for our information technology systems, our information technology systems and the information technology systems maintained by our third party vendors are vulnerable to damage arising from any number of sources beyond our or our third party vendors' control, including energy blackouts, natural disasters, terrorism, war, and telecommunication failures. Any failure to maintain proper function and availability of our or third parties' information technology systems could interrupt our operations, damage our reputation, subject us to liability claims or regulatory penalties and could adversely affect our business, financial condition and results of operations.

A Failure to Keep Pace with Developments in Technology Could Impair our Operations or Competitive Position. Our business continues and will continue to demand the use of sophisticated systems, software and technology, including artificial intelligence. These systems, software and technologies must be refined, updated and replaced on a regular basis in order for us to meet our business requirements, our residents' demands and expectations, and regulatory requirements. For example in 2024 the State of Colorado enacted the Colorado Artificial Intelligence Act that will go into effect in February 2026. If we are unable to do so on a timely basis or at a reasonable cost, or fail to do so, our business could suffer. Also, we may not achieve the benefits that we anticipate from any new system, software or technology, and a failure to do so could result in higher than anticipated costs or could adversely affect our results of operations.

Social Media Presents Risks. The use of social media could cause us to suffer brand damage or unintended information disclosure. Negative posts or communications about us on a social networking website could damage our reputation. Further, employees or others may disclose non-public information regarding us or our business or otherwise make negative comments regarding us on social networking or other websites, which could adversely affect our business and results of operations. As social media evolves, we will be presented with new risks and challenges.

Our Success Depends on Our Senior Management. Our success depends upon the retention of our senior management, whose continued service is not guaranteed. We may not be able to find qualified replacements for the individuals who make up our senior management if their services should no longer be available to us. The loss of services of one or more members of our senior management team could have a material adverse effect on our business, financial condition and results of operations.

Changes in U.S. Accounting Standards May Materially and Adversely Affect Our Reported Results of Operations. Accounting for public companies in the United States is in accordance with GAAP, which is established by the Financial Accounting Standards Board (the “FASB”), an independent body whose standards are recognized by the SEC as authoritative for publicly held companies. Uncertainties posed by various initiatives of accounting standard-setting by the FASB and the SEC, which create and interpret applicable accounting standards for U.S. companies, may change the financial accounting and reporting standards or their interpretation and application of these standards that govern the preparation of our financial statements. These changes could have a material impact on our reported financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in potentially material restatements of prior period financial statements.

Third-Party Expectations Relating to Environmental, Social and Governance Factors May Impose Additional Costs and Expose Us to New Risks. There is an increasing focus from certain investors, tenants, employees, and other stakeholders concerning corporate responsibility, specifically related to environmental, social and governance factors. In addition, there is an increased focus on such matters by various regulatory authorities, including the SEC and the state of California, and the activities and expense required to comply with new laws, regulations or standards may be significant. Some investors may use these factors to guide their investment strategies and, in some cases, may choose not to invest in us if they believe our policies relating to corporate responsibility are inadequate. Third-party providers of corporate responsibility ratings and reports on companies have increased in number, resulting in varied and in some cases inconsistent standards. In addition, the criteria by which companies’ corporate responsibility practices are assessed and the regulations applicable thereto are evolving, which could result in greater expectations of us and cause us to undertake costly initiatives or activities to satisfy such new criteria or regulations. Further, if we elect not to or are unable to satisfy such new criteria or do not meet the criteria of a specific third-party provider or investor, some investors may conclude that our policies with respect to corporate responsibility are inadequate. We may face reputational damage in the event that our corporate responsibility procedures or standards do not meet the standards set by various constituencies. Furthermore, if our competitors’ corporate responsibility performance is perceived to be greater than ours, potential or current investors may elect to invest in our competitors instead. In addition, we have communicated certain initiatives and goals regarding environmental, social and governance matters, and we may in the future communicate revised or additional initiatives or goals. We could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could be criticized for the scope of such initiatives or goals. If we fail to satisfy the expectations of investors, tenants and other stakeholders, our initiatives are not executed as planned, or we do not satisfy our goals, our reputation and financial results could be adversely affected.

Risks Related to Our Indebtedness and Financings

Changing Interest Rates Could Increase Interest Costs and Adversely Affect Our Cash Flows and the Market Price of Our Common Stock. We currently have, and expect to incur in the future, interest-bearing debt, including unsecured commercial paper, at rates that vary with market interest rates. As of September 30, 2024, we had approximately $538.8 million of variable rate indebtedness outstanding, which constitutes approximately 9.2% of total outstanding indebtedness as of such date, and we have experienced increases in the interest rates on such indebtedness, which has increased our interest expense and adversely impacted our results of operations and cash flows. In addition, as a result of higher interest rates, the costs of hedging transactions have increased significantly and may continue to increase. Continued increases in interest rates would further increase our interest expenses and increase the costs of refinancing existing indebtedness and of issuing new debt, including unsecured commercial paper. The effect of any prolonged interest rate increases could negatively impact our ability to service our indebtedness, make distributions to security holders, make acquisitions and develop properties.

Insufficient Cash Flow Could Affect Our Debt Financing and Create Refinancing Risk. We are subject to the risks normally associated with debt financing, including the risk that our operating income and cash flow could be insufficient to make required payments of principal and interest, could restrict or limit our ability to incur additional debt, or could restrict our borrowing capacity under our line of credit due to debt covenant restraints. Sufficient cash flow may not be available to make all required debt payments and satisfy our distribution requirements to maintain our status as a REIT for federal income tax purposes. In addition, the amounts under our line of credit may not be available to us and we may not be able to access the commercial paper market if our operating performance falls outside the constraints of our debt covenants. We are also likely to need to refinance substantially all of our outstanding debt as it matures. We may not be able to refinance existing debt, or the terms of any refinancing may not be as favorable as the terms of the existing debt, which could create pressure to sell assets or

to issue additional equity when we would otherwise not choose to do so. In addition, our failure to comply with our debt covenants could result in a requirement to repay our indebtedness prior to its maturity, which could have a material adverse effect on our financial condition and cash flow, increase our financing costs and impact our ability to make distributions to our stockholders.

Failure to Generate Sufficient Income Could Impair Debt Service Payments and Distributions to Stockholders. If our apartment communities do not generate sufficient revenue to meet rental expenses, our ability to make required payments of interest and principal on our debt and to pay dividends or distributions to our stockholders will be adversely affected. The following factors, among others, may affect the income generated by our apartment communities:

- the national and local economies;
- local real estate market conditions, such as an oversupply of apartment homes;
- tenants' or prospective tenants' perceptions of the safety, convenience, and attractiveness of our communities and the neighborhoods where they are located;
- our ability to provide adequate management, maintenance and insurance;
- rental expenses, including real estate taxes and utilities;
- competition from other apartment communities or alternative housing options;
- changes in interest rates and the availability of financing;
- changes in governmental regulations and the related costs of compliance; and
- changes in tax and housing laws, including the enactment of rent control laws or other laws regulating multifamily housing.

Expenses associated with our investment in an apartment community, such as debt service, real estate taxes, insurance, labor costs and maintenance costs, are generally not reduced when circumstances cause a reduction in revenue from that community. If a community is mortgaged to secure payment of debt and we are unable to make the mortgage payments, we could sustain a loss as a result of foreclosure on the community or the exercise of other remedies by the mortgage holder.

Our Debt Level May Be Increased. Our ability to incur debt is limited by covenants in our bank and other credit agreements. We manage our debt to be in compliance with these debt covenants, but subject to compliance with these covenants, we may increase the amount of our debt at any time without a concurrent improvement in our ability to service the additional debt.

Financing May Not Be Available and Could Be Dilutive. Our ability to execute our business strategy depends on our access to an appropriate blend of debt financing, including unsecured lines of credit, construction loans and other forms of secured debt, commercial paper and other forms of unsecured debt, and equity financing, including common and preferred equity. We and other companies in the real estate industry have experienced limited availability of financing from time to time, including due to disruptions and uncertainty in the equity and credit markets and regulatory changes directly or indirectly affecting financing markets, for example the changes in terms on construction loans brought about by the Basel III capital requirements and the associated "High Volatility Commercial Real Estate" designation, which has adversely impacted the availability of loans, including construction loans, and the proceeds of and the interest rates thereon. Restricted lending practices could impact our ability to obtain financing or refinancing for our properties. If we issue additional equity securities to finance developments and acquisitions instead of incurring debt, the interests of our existing stockholders could be diluted.

Failure To Maintain Our Current Credit Ratings Could Adversely Affect Our Cost of Funds, Related Margins, Liquidity, and Access to Capital Markets. Moody's and Standard & Poor's routinely evaluate our debt and have given us ratings on our senior unsecured debt, commercial paper program and preferred stock. These ratings are based on a number of factors, which include their assessment of our financial strength, liquidity, capital structure, asset quality, and sustainability of cash flows and earnings. Due to changes in these factors and market conditions, we may not be able to maintain our current credit ratings, which could adversely affect our cost of funds and related margins, liquidity, and access to capital markets, including our ability to access the commercial paper market.

Disruptions in Financial Markets May Adversely Impact the Availability and Cost of Credit and Have Other Adverse Effects on Us and the Market Price of Our Common Stock. Our ability to make scheduled payments on, or to refinance, our

debt obligations will depend on our operating and financial performance, which in turn is subject to prevailing economic conditions and to financial, business and other factors beyond our control. The global equity and credit markets have experienced in the past, and may experience in the future, periods of extraordinary turmoil and volatility. These circumstances may materially and adversely impact liquidity in the financial markets at times, making terms for certain financings less attractive or in some cases unavailable. Disruptions and uncertainty in the equity and credit markets, including as a result of bank failures and uncertainty in the banking sector generally, may negatively impact our ability to refinance existing indebtedness and access additional financing for acquisitions, development of our properties and other purposes at reasonable terms or at all, which may negatively affect our business and the market price of our common stock. We also rely on the financial institutions that are parties to our revolving credit facility and other credit facilities. If these institutions become capital constrained, tighten their lending standards or become insolvent or if they experience excessive volumes of borrowing requests from other borrowers within a short period of time, they may be unable or unwilling to honor their funding commitments to us, which would adversely affect our ability to draw on our revolving credit facility. If we are not successful in refinancing our existing indebtedness when it becomes due, we may be forced to dispose of properties on disadvantageous terms, which might adversely affect our ability to service other debt and to meet our other obligations. A prolonged downturn in the financial markets may cause us to seek alternative sources of potentially less attractive financing and may require us to adjust our business plan accordingly. These events also may make it more difficult or costly for us to raise capital through the issuance of our common or preferred stock.

A Change in U.S. Government Policy or Support Regarding Fannie Mae or Freddie Mac Could Have a Material Adverse Impact on Our Business. While in recent years we have decreased our borrowings from Fannie Mae and Freddie Mac, Fannie Mae and Freddie Mac are a major source of financing to participants in the multifamily housing markets including potential purchasers of our properties. Potential options for the future of agency mortgage financing in the U.S. have been, and may in the future be, suggested that could involve a reduction in the amount of financing Fannie Mae and Freddie Mac are able to provide, limitations on the loans that the agencies may make, which may not include loans secured by properties like our properties, or the phase out of Fannie Mae and Freddie Mac. While we believe Fannie Mae and Freddie Mac will continue to provide liquidity to our sector, should they discontinue doing so, have their mandates changed or reduced or be disbanded or reorganized by the government, or if there is reduced government support for multifamily housing generally, it may adversely affect interest rates, capital availability, development of multifamily communities and the value of multifamily residential real estate and, as a result, may adversely affect our business and results of operations.

The Soundness of Financial Institutions Could Adversely Affect Us. We have relationships with many financial institutions, including lenders under our credit facilities, and, from time to time, we execute transactions with counterparties in the financial services industry. Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, could result in losses or defaults by these institutions or counterparties or could lead to market-wide liquidity problems. Disruptions and uncertainty with respect to financial institutions, including as a result of bank failures and liquidity concerns, may negatively impact our ability to refinance existing indebtedness and access additional financing for acquisitions, development of our properties and other purposes at reasonable terms or at all, which may negatively affect our business and the market price of our common stock. In addition, in the event that the volatility of the financial markets adversely affects our financial institutions or other counterparties, we or other parties to the transactions with us may be unable to complete transactions as intended, which could adversely affect our results of operations.

Interest Rate Hedging Contracts May Be Ineffective and May Result in Material Charges. From time to time when we anticipate issuing debt securities, we may seek to limit our exposure to fluctuations in interest rates during the period prior to the pricing of the securities by entering into interest rate hedging contracts. We may do this to increase the predictability of our financing costs. Also, from time to time we may rely on interest rate hedging contracts to limit our exposure under variable rate debt to unfavorable changes in market interest rates. If the terms of new debt securities are not within the parameters of, or market interest rates fall below that which we incur under a particular interest rate hedging contract, the contract is ineffective. Furthermore, the settlement of interest rate hedging contracts has involved and may in the future involve material charges. In addition, our use of interest rate hedging arrangements may expose us to additional risks, including a risk that a counterparty to a hedging arrangement may fail to honor its obligations. Developing an effective interest rate risk strategy is complex and no strategy can completely insulate us from risks associated with interest rate fluctuations. There can be no assurance that our hedging activities will have the desired beneficial impact on our results of operations or financial condition. Termination of these hedging agreements typically involves costs, such as transaction fees or breakage costs.

Risks Related to Tax Laws

We Would Incur Adverse Tax Consequences if We Failed to Qualify as a REIT. We have elected to be taxed as a REIT under the Code. Our qualification as a REIT requires us to satisfy numerous requirements, some on an annual and quarterly basis, established under highly technical and complex Code provisions for which there are only limited judicial or administrative interpretations, and involves the determination of various factual matters and circumstances not entirely within our control. We intend that our current organization and method of operation will enable us to continue to qualify as a REIT, but we may not so qualify or we may not be able to remain so qualified in the future. In addition, U.S. federal income tax laws governing REITs and other corporations and the administrative interpretations of those laws may be amended at any time, potentially with retroactive effect. Future legislation, new regulations, administrative interpretations or court decisions could adversely affect our ability to qualify as a REIT or adversely affect our stockholders.

If we fail to qualify as a REIT in any taxable year, we would be subject to federal income tax on our taxable income at regular corporate rates, and would not be allowed to deduct dividends paid to our stockholders in computing our taxable income. Also, unless the Internal Revenue Service granted us relief under certain statutory provisions, we could not re-elect REIT status until the fifth calendar year after the year in which we first failed to qualify as a REIT. The additional tax liability from the failure to qualify as a REIT would reduce or eliminate the amount of cash available for investment or distribution to our stockholders. This would likely have a significant adverse effect on the value of our securities and our ability to raise additional capital. In addition, we would no longer be required to make distributions to our stockholders. Even if we continue to qualify as a REIT, we will continue to be subject to certain federal, state and local taxes on our income and property.

Certain of our subsidiaries have also elected to be taxed as REITs under the Code, and are therefore subject to the same risks in the event that any such subsidiary fails to qualify as a REIT in any taxable year.

Dividends Paid by REITs Generally Do Not Qualify for Reduced Tax Rates. In general, qualified dividends paid to individual U.S. stockholders are eligible for a reduced 20% U.S. federal income tax rate. However, unlike dividends received from a corporation that is not a REIT, our regular dividends (i.e., dividends other than capital gain dividends) paid to individual U.S. stockholders generally are not eligible for the reduced rates on qualified dividends and are instead taxed at ordinary income rates. However, individual U.S. stockholders generally may deduct 20% of our regular dividends under Section 199A of the Code, reducing the effective tax rate applicable to such dividends (although such provision will expire after December 31, 2025 absent future legislation).

We Conduct a Portion of Our Business Through Taxable REIT Subsidiaries, Which Are Subject to Certain Tax Risks. We have established or invested in and conduct a portion of our business through taxable REIT subsidiaries. Despite our qualification as a REIT, taxable REIT subsidiaries must pay income tax on their taxable income. In addition, we must comply with various tests to continue to qualify as a REIT for federal income tax purposes, and our income from and investments in taxable REIT subsidiaries generally do not constitute permissible income and investments for certain of these tests. While we will attempt to ensure that our dealings with taxable REIT subsidiaries will not adversely affect our REIT qualification, we cannot provide assurance that we will successfully achieve that result. Furthermore, we may be subject to a 100% penalty tax, we may jeopardize our ability to retain future gains on real property sales, or taxable REIT subsidiaries may be denied deductions, to the extent our dealings with taxable REIT subsidiaries are not deemed to be arm's length in nature or are otherwise not respected.

REIT Distribution Requirements Limit Our Available Cash. As a REIT, we are subject to annual distribution requirements, which limit the amount of cash we retain for other business purposes, including amounts to fund our growth. We generally must distribute annually at least 90% of our net REIT taxable income, excluding any net capital gain, in order for our distributed earnings not to be subject to corporate income tax. We intend to make distributions to our stockholders to comply with the requirements of the Code. However, differences in timing between the recognition of taxable income and the actual receipt of cash could require us to sell assets or borrow funds on a short-term or long-term basis to meet the 90% distribution requirement of the Code. To the extent we distribute at least 90%, but less than 100%, of our net REIT taxable income we will be subject to tax at regular corporate tax rates on the retained portion.

Certain Property Transfers May Generate Prohibited Transaction Income, Resulting in a Penalty Tax on Gain Attributable to the Transaction. From time to time, we may transfer or otherwise dispose of some of our properties. Under the Code, any gain resulting from transfers of properties that we hold as inventory or primarily for sale to customers in the ordinary course of business would be treated as income from a prohibited transaction and subject to a 100% penalty tax. Since we acquire properties for investment purposes, we do not believe that our occasional transfers or disposals of property are prohibited transactions. However, whether property is held for investment purposes is a question of fact that depends on all the

facts and circumstances surrounding the particular transaction. The Internal Revenue Service may contend that certain transfers or disposals of properties by us are prohibited transactions. If the Internal Revenue Service were to argue successfully that a transfer or disposition of property constituted a prohibited transaction, then we would be required to pay a 100% penalty tax on any gain allocable to us from the prohibited transaction and we may jeopardize our ability to retain future gains on real property sales. In addition, income from a prohibited transaction might adversely affect our ability to satisfy the income tests for qualification as a REIT for federal income tax purposes.

Changes to the U.S. Federal Income Tax Laws, including the Enactment of Certain Tax Reform Measures, Could Have an Adverse Impact on Our Business and Financial Results. In recent years, numerous legislative, judicial and administrative changes have been made to the U.S. federal income tax laws applicable to investments in real estate and REITs, and it is possible that additional legislation may be enacted in the future. There can be no assurance that future changes to the U.S. federal income tax laws or regulatory changes will not be proposed or enacted that could impact our business and financial results. The REIT rules are regularly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department, which may result in revisions to regulations and interpretations in addition to statutory changes. If enacted, certain of such changes could have an adverse impact on our business and financial results.

We cannot predict whether, when or to what extent any new U.S. federal tax laws, regulations, interpretations or rulings will impact the real estate investment industry or REITs. Prospective investors are urged to consult their tax advisors regarding the effect of potential future changes to the federal tax laws on an investment in our shares.

We May Be Adversely Affected by Changes in State and Local Tax Laws and May Become Subject to Tax Audits from Time to Time. Because we are organized and qualify as a REIT, we are generally not subject to federal income taxes, but we are subject to certain state and local taxes. From time to time, changes in state and local tax laws or regulations may result in an increase in our tax liability. A shortfall in tax revenues for states and local jurisdictions in which we own apartment communities may lead to an increase in the frequency and size of such changes. If such changes occur, we may be required to pay additional state and local taxes. These increased tax costs could adversely affect our financial condition and the amount of cash available for the payment of distributions to our stockholders. In the normal course of business, we or our affiliates (including entities through which we own real estate) may also become subject to federal, state or local tax audits. If we (or such entities) become subject to federal, state or local tax audits, the ultimate result of such audits could have an adverse effect on our financial condition and results of operations.

The Operating Partnership and the DownREIT Partnership Intend to Qualify as Partnerships, but Cannot Guarantee That They Will Qualify. The Operating Partnership and the DownREIT Partnership intend to qualify as partnerships for federal income tax purposes, and we intend to take that position for all income tax reporting purposes. If classified as partnerships, the Operating Partnership and the DownREIT Partnership generally will not be taxable entities and will not incur federal income tax liability. However, the Operating Partnership and the DownREIT Partnership would be treated as corporations for federal income tax purposes if they were "publicly traded partnerships," unless at least 90% of their income was qualifying income as defined in the Code. A "publicly traded partnership" is a partnership whose partnership interests are traded on an established securities market or are readily tradable on a secondary market (or the substantial equivalent thereof). Although neither the Operating Partnership's nor the DownREIT Partnership's partnership units are traded on an established securities market, because of the redemption rights of their limited partners, the Operating Partnership's and DownREIT Partnership's units held by limited partners could be viewed as readily tradable on a secondary market (or the substantial equivalent thereof), and the Operating Partnership and the DownREIT Partnership may not qualify for one of the "safe harbors" under the applicable tax regulations. Qualifying income for the 90% test generally includes passive income, such as real property rents, dividends and interest. The income requirements applicable to REITs and the definition of qualifying income for purposes of this 90% test are similar in most respects. The Operating Partnership and the DownREIT Partnership may not meet this qualifying income test. If either the Operating Partnership or the DownREIT Partnership were to be taxed as a corporation, it would incur substantial tax liabilities, and we would then fail to qualify as a REIT for tax purposes, unless it qualified for relief under certain statutory savings provisions, and our ability to raise additional capital would be impaired. In addition, even if the 90% test were met if the Operating Partnership or the DownREIT Partnership were a publicly traded partnership, there could be adverse tax impacts for certain limited partners.

Qualifying as a REIT Involves Highly Technical and Complex Provisions of the Code. Our qualification as a REIT involves the application of highly technical and complex Code provisions for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize our REIT qualification. Moreover, new legislation, court decisions or administrative guidance, in each case possibly with retroactive effect, may make it more difficult or impossible for us to qualify as a REIT. Our qualification as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis. Our ability to satisfy the

REIT income and asset tests depends upon our analysis of the characterization and fair market values of our assets, some of which are not susceptible to a precise determination and for which we will not obtain independent appraisals, and upon our ability to successfully manage the composition of our income and assets on an ongoing basis. In addition, our ability to satisfy the requirements to qualify as a REIT depends in part on the actions of third parties over which we have no control or only limited influence, including in cases where we own an equity interest in an entity that is classified as a partnership for U.S. federal income tax purposes.

Risks Related to Our Organization and Ownership of Our Stock

Changes in Market Conditions and Volatility of Stock Prices Could Adversely Affect the Market Price of Our Common Stock. The stock markets, including the New York Stock Exchange ("NYSE"), on which we list our common stock, have experienced significant price and volume fluctuations. As a result, the market price of our common stock has been, and in the future could be similarly volatile, and investors in our common stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. In addition to the risks listed in this "Risk Factors" section, a number of factors could negatively affect the price per share of our common stock, including:

- general market and economic conditions;
- actual or anticipated variations in our quarterly operating results or dividends or our payment of dividends in shares of our stock;
- changes in our funds from operations or earnings estimates;
- difficulties or inability to access capital or extend or refinance existing debt;
- decreasing (or uncertainty in) real estate valuations;
- changes in market valuations of similar companies;
- publication of research reports about us or the real estate industry;
- the general reputation of REITs and the attractiveness of their equity securities in comparison to other equity securities (including securities issued by other real estate companies);
- general stock and bond market conditions, including changes in interest rates on fixed income securities, that may lead prospective purchasers of our common stock to demand a higher annual yield from future dividends;
- a change in analyst ratings;
- additions or departures of key management personnel;
- adverse market reaction to any additional debt we incur in the future;
- speculation in the press or investment community;
- terrorist activity or geopolitical events (including the ongoing war between Russia and Ukraine and the military conflict in Israel and Gaza), which may adversely affect the markets in which our securities trade, possibly increasing market volatility and causing the further erosion of business and consumer confidence and spending;
- failure to qualify as a REIT;
- strategic decisions by us or by our competitors, such as acquisitions, divestments, spin-offs, joint ventures, strategic investments or changes in business strategy;
- failure to satisfy listing requirements of the NYSE;
- governmental regulatory action and changes in tax laws; and
- the issuance of additional shares of our common stock, or the perception that such sales might occur, including under our at-the-market equity distribution program.

Many of the factors listed above are beyond our control. These factors may cause the market price of shares of our common stock to decline, regardless of our financial condition, results of operations, business or prospects.

We May Change the Dividend Policy for Our Common Stock in the Future. The decision to declare and pay dividends on our common stock, as well as the timing, amount and composition of any such future dividends, will be at the sole discretion of our board of directors and will depend on our earnings, funds from operations, liquidity, financial condition, capital requirements, contractual prohibitions or other limitations under our indebtedness, the annual distribution requirements under the REIT provisions of the Code, state law and such other factors as our board of directors considers relevant. Any change in our dividend policy could have an adverse effect on the market price of our common stock.

Maryland Law May Limit the Ability of a Third Party to Acquire Control of Us, Which May Not be in Our Stockholders' Best Interests. Maryland business statutes may limit the ability of a third party to acquire control of us. As a Maryland corporation, we are subject to various Maryland laws which may have the effect of discouraging offers to acquire our Company and of increasing the difficulty of consummating any such offers, even if our acquisition would be in our stockholders' best interests. The Maryland General Corporation Law restricts mergers and other business combination transactions between us and any person who acquires beneficial ownership of shares of our stock representing 10% or more of the voting power without our board of directors' prior approval. Any such business combination transaction could not be completed until five years after the person acquired such voting power, and generally only with the approval of stockholders representing 80% of all votes entitled to be cast and 66 2/3% of the votes entitled to be cast, excluding the interested stockholder, or upon payment of a fair price. Maryland law also provides generally that a person who acquires shares of our equity stock that represents 10% (and certain higher levels) of the voting power in electing directors will have no voting rights unless approved by a vote of two-thirds of the shares eligible to vote.

Limitations on Share Ownership and Limitations on the Ability of Our Stockholders to Effect a Change in Control of Our Company Restrict the Transferability of Our Stock and May Prevent Takeovers That are Beneficial to Our Stockholders. One of the requirements for maintenance of our qualification as a REIT for U.S. federal income tax purposes is that no more than 50% in value of our outstanding capital stock may be owned by five or fewer individuals, including entities specified in the Code, during the last half of any taxable year. Our charter contains ownership and transfer restrictions relating to our stock primarily to assist us in complying with this and other REIT ownership requirements; however, the restrictions may have the effect of preventing a change of control which does not threaten our REIT status. These restrictions include a provision that generally limits ownership by any person of more than 9.9% of the value of our outstanding equity stock, unless our board of directors exempts the person from such ownership limitation, provided that any such exemption shall not allow the person to exceed 13% of the value of our outstanding equity stock. Absent such an exemption from our board of directors, the transfer of our stock to any person in excess of the applicable ownership limit, or any transfer of shares of such stock in violation of the ownership requirements of the Code for REITs, will be considered null and void, and the intended transferee of such stock will acquire no rights in such shares. These provisions of our charter may have the effect of delaying, deferring or preventing someone from taking control of us, even though a change of control might involve a premium price for our stockholders or might otherwise be in our stockholders' best interests.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

From time to time the Company issues shares of the Company's common stock in exchange for operating partnership units ("OP Units") tendered to the Operating Partnership for redemption in accordance with the provisions of the Operating Partnership's limited partnership agreement. The holders of OP Units have the right to require the Operating Partnership to redeem all or a portion of their OP Units in exchange for a cash payment based on the market value of our common stock at the time of redemption. However, the Operating Partnership's obligation to pay the cash amount is subject to the prior right of the Company to acquire such OP Units in exchange for either the cash amount or the number of shares of the Company's common stock equal to the number of OP Units being redeemed.

During the three months ended September 30, 2024, we did not issue any shares of our common stock upon redemption of OP Units in reliance upon an exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933.

Repurchase of Equity Securities

In January 2008, UDR's Board of Directors authorized a 15 million share repurchase program. Under the share repurchase program, UDR may repurchase shares of our common stock in open market purchases, block purchases, privately negotiated transactions or otherwise. The following table summarizes all of UDR's repurchases of shares of common stock under this program during the three months ended September 30, 2024 (*shares in thousands*):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Maximum Number of Shares that May Yet Be Purchased Under the Plan or Program (a)
Beginning Balance	2,973	$ 37.90	2,973	12,027
July 1, 2024 through July 31, 2024	—	—	—	12,027
August 1, 2024 through August 31, 2024	—	—	—	12,027
September 1, 2024 through September 30, 2024	—	—	—	12,027
Balance as of September 30, 2024	**2,973**	**$ 37.90**	**2,973**	**12,027**

(a) This number reflects the amount of shares that were available for purchase under our 15 million share repurchase program authorized in January 2008.

During the three months ended September 30, 2024, certain of our employees surrendered shares of common stock owned by them to satisfy their statutory minimum federal and state tax obligations associated with the vesting of restricted shares of common stock issued under our 1999 Long-Term Incentive Plan (the "LTIP"). The following table summarizes all of these repurchases during the three months ended September 30, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share (a)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
July 1, 2024 through July 31, 2024	—	$ —	N/A	N/A
August 1, 2024 through August 31, 2024	—	—	N/A	N/A
September 1, 2024 through September 30, 2024	—	—	N/A	N/A
Total	—	$ —		

(a) The price paid per share is based on the closing price of our common stock as of the date of the determination of the statutory minimum for federal and state tax obligations.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

During the three months ended September 30, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. EXHIBITS

Exhibit No.	Description
3.1	Articles of Restatement of UDR, Inc. (incorporated by reference to Exhibit 3.09 to UDR, Inc.'s Current Report on Form 8-K dated July 27, 2005 and filed with the SEC on August 1, 2005).
3.2	Articles of Amendment to the Articles of Restatement of UDR, Inc. dated and filed with the State Department of Assessments and Taxation of the State of Maryland on March 14, 2007 (incorporated by reference to Exhibit 3.2 to UDR, Inc.'s Current Report on Form 8-K dated March 14, 2007 and filed with the SEC on March 15, 2007).
3.3	Articles of Amendment to the Articles of Restatement of UDR, Inc. dated August 30, 2011 and filed with the State Department of Assessments and Taxation of the State of Maryland on August 31, 2011 (incorporated by reference to Exhibit 3.1 to UDR, Inc.'s Current Report on Form 8-K dated August 29, 2011 and filed with the SEC on September 1, 2011).
3.4	Articles of Amendment to the Articles of Restatement of UDR, Inc. dated and filed with the State Department of Assessments and Taxation of the State of Maryland on May 24, 2018 (incorporated by reference to Exhibit 3.1 to UDR, Inc.'s Current Report on Form 8-K dated May 24, 2018 and filed with the SEC on May 29, 2018).
3.5	Articles of Amendment to the Articles of Restatement of UDR, Inc. dated and filed with the State Department of Assessments and Taxation of the State of Maryland on July 27, 2021 (incorporated by reference to Exhibit 3.1 to UDR, Inc.'s Current Report on Form 8-K dated July 29, 2021 and filed with the SEC on July 29, 2021).
3.6	Articles Supplementary relating to UDR, Inc.'s 6.75% Series G Cumulative Redeemable Preferred Stock dated and filed with the State Department of Assessments and Taxation of the State of Maryland on May 30, 2007 (incorporated by reference to Exhibit 3.4 to UDR, Inc.'s Form 8-A Registration Statement dated and filed with the SEC on May 30, 2007).
3.7	Amended and Restated Bylaws of UDR, Inc. (as amended through May 24, 2018) (incorporated by reference to Exhibit 3.6 to UDR, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2018).
4.1	UDR, Inc. 5.125% Medium-Term Note, Series A due September 1, 2034, issued August 15, 2024.
10.1	Second Amendment to Second Amended and Restated Credit Agreement dated as of August 14, 2024 (incorporated by reference to Exhibit 10.1 to UDR, Inc.'s Current Report on Form 8-K dated August 14, 2024 and filed with the SEC on August 19, 2024).
22.1	List of Guarantor Subsidiaries of UDR, Inc.
31.1	Rule 13a-14(a) Certification of the Chief Executive Officer of UDR, Inc.
31.2	Rule 13a-14(a) Certification of the Chief Financial Officer of UDR, Inc.
32.1	Section 1350 Certification of the Chief Executive Officer of UDR, Inc.
32.2	Section 1350 Certification of the Chief Financial Officer of UDR, Inc.
101	Inline XBRL (Extensible Business Reporting Language). The following materials from this Quarterly Report on Form 10-Q for the period ended September 30, 2024, formatted in Inline XBRL: (i) consolidated balance sheets of UDR, Inc., (ii) consolidated statements of operations of UDR, Inc., (iii) consolidated statements of comprehensive income/(loss) of UDR, Inc., (iv) consolidated statements of changes in equity of UDR, Inc., (v) consolidated statements of cash flows of UDR, Inc. and (vi) notes to consolidated financial statements of UDR, Inc. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each of the registrants has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

	UDR, Inc.
Date: October 31, 2024	/s/ Joseph D. Fisher
	Joseph D. Fisher
	President and Chief Financial Officer (Principal Financial Officer)

Exhibit 4.1

UDR, INC.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (THE “DEPOSITARY”) (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER HEREOF OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN CERTIFICATED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

REGISTERED No. 1	CUSIP No.: 90265EAW0	PRINCIPAL AMOUNT: $300,000,000

UDR, INC.

MEDIUM-TERM NOTE
SERIES A
DUE NINE MONTHS OR MORE FROM DATE OF ISSUE, FULLY AND UNCONDITIONALLY GUARANTEED BY UNITED DOMINION REALTY, L.P.
(Fixed Rate)

ORIGINAL ISSUE DATE: August 15, 2024	INTEREST RATE: 5.125%	STATED MATURITY DATE: September 1, 2034
INTEREST PAYMENT DATE(S) [X] March 1 and September 1, commencing March 1, 2025 [ ] Other:	[ ] CHECK IF DISCOUNT NOTE Issue Price: 98.977% plus accrued interest from August 15, 2024	
INITIAL REDEMPTION DATE: See Addendum	INITIAL REDEMPTION PERCENTAGE: See Addendum	ANNUAL REDEMPTION PERCENTAGE REDUCTION: See Addendum
OPTIONAL REPAYMENT DATE(S): See Addendum		
SPECIFIED CURRENCY: [X] United States dollars [ ] Other:	AUTHORIZED DENOMINATION: [X] $2,000 and $1,000 integral multiples thereof [ ] Other:	EXCHANGE RATE AGENT: N/A
ADDENDUM ATTACHED [X] Yes [ ] No	DEFAULT INTEREST RATE: N/A	OTHER/ADDITIONAL PROVISIONS: N/A

UDR, INC., a Maryland corporation (the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & Co., as nominee for The Depository Trust Company, or registered assigns, the Principal Amount of THREE HUNDRED MILLION DOLLARS ($300,000,000), on the Stated Maturity Date specified above (or any Redemption Date or Repayment Date, each as defined on the reverse hereof, or any earlier date of acceleration of maturity) (each such date being hereinafter referred to as the "Maturity Date" with respect to the principal repayable on such date) and to pay interest thereon (and on any overdue principal, premium and/or interest to the extent legally enforceable) at the Interest Rate per annum specified above, until the principal hereof is paid or duly made available for payment. The Company will pay interest in arrears on each Interest Payment Date, if any, specified above (each, an "Interest Payment Date"), commencing with the first Interest Payment Date next succeeding the Original Issue Date specified above, and on the Maturity Date; provided, however, that if the Original Issue Date occurs between a Record Date (as defined below) and the next succeeding Interest Payment Date, interest payment will commence on the Interest Payment Date immediately following the next succeeding Record Date to the registered holder (the "Holder") of this Note on the next succeeding Record Date. Interest on this Note will be computed on the basis of a 360-day year of twelve 30-day months.

United Dominion Realty, L.P., a Delaware limited partnership (the "Operating Partnership"), as primary obligor and not merely as surety, hereby irrevocably and unconditionally guarantees to the Holder and to the Trustee and their successors and assigns (a) the full and punctual payment when due, whether at the Maturity Date, by acceleration or otherwise, of all obligations of the Company now or hereafter existing under the Indenture whether for principal of or interest on the Notes (and premium and Make-Whole Amount, if applicable) and all other monetary obligations of the Company under the Indenture and the Notes and (b) the full and punctual performance within the applicable grace periods of all other obligations of the Company under the Indenture and the Notes (all such obligations guaranteed hereby by the Operating Partnership being the "Guarantee"). The Holder of this Note may enforce its rights under the Guarantee directly against the Operating Partnership without first making a demand or taking action against the Company or any other person or entity. The Operating Partnership may, without the consent of the Holder of this Note, assume all of the Company's rights and obligations under this Note and, upon such assumption, the Company will be released from its liabilities under the Indenture and this Note.

Interest on this Note will accrue from, and including, the immediately preceding Interest Payment Date to which interest has been paid or duly provided for (or from, and including, the Original Issue Date if no interest has been paid or duly provided for) to, but excluding, the applicable Interest Payment Date or the Maturity Date, as the case may be (each, an "Interest Period"). The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, subject to certain exceptions described herein, be paid to the person in whose name this Note (or one or more predecessor Notes, as defined on the reverse hereof) is registered at the close of business on the February 15 or August 15 (whether or not a Business Day, as defined below) immediately preceding such Interest Payment Date (the "Record Date"); provided, however, that interest payable on the Maturity Date will be payable to the person to whom the principal hereof and premium, if any, hereon shall be payable. Any such interest not so punctually paid or duly provided for on any Interest Payment Date other than the Maturity Date ("Defaulted Interest") shall forthwith cease to be payable to the Holder on the close of business on any Record

Date and, instead, shall be paid to the person in whose name this Note is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Trustee hereinafter referred to, notice whereof shall be given to the Holder of this Note by the Trustee not less than 10 calendar days prior to such Special Record Date or may be paid at any time in any other lawful manner, all as more fully provided for in the Indenture.

Payment of principal, premium, if any, and interest in respect of this Note due on the Maturity Date will be made in immediately available funds upon presentation and surrender of this Note (and, with respect to any applicable repayment of this Note, upon delivery of instructions as contemplated on the reverse hereof) at the office or agency maintained by the Company for that purpose in the Borough of Manhattan, The City of New York, currently the corporate trust office of the Trustee located at 40 Broad Street, 5th Floor, New York, New York 10004, or at such other paying agency in the Borough of Manhattan, The City of New York, as the Company may determine; provided, however, that if the Specified Currency (as defined below) is other than United States dollars and such payment is to be made in the Specified Currency in accordance with the provisions set forth below, such payment will be made by wire transfer of immediately available funds to an account with a bank designated by the Holder hereof at least 15 calendar days prior to the Maturity Date, provided that such bank has appropriate facilities therefor and that this Note is presented and surrendered and, if applicable, instructions are delivered at the aforementioned office or agency maintained by the Company in time for the Trustee to make such payment in such funds in accordance with its normal procedures. Payment of interest due on any Interest Payment Date other than the Maturity Date will be made at the aforementioned office or agency maintained by the Company or, at the option of the Company, by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register maintained by the Trustee; provided, however, that a Holder of U.S.$10,000,000 (or, if the Specified Currency is other than United States dollars, the equivalent thereof in the Specified Currency) or more in aggregate principal amount of Notes (whether having identical or different terms and provisions) will be entitled to receive interest payments on such Interest Payment Date by wire transfer of immediately available funds if such Holder has delivered appropriate wire transfer instructions in writing to the Trustee not less than 15 calendar days prior to such Interest Payment Date. Any such wire transfer instructions received by the Trustee shall remain in effect until revoked by such Holder.

If any Interest Payment Date, Redemption Date or the Maturity Date falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest shall be made on the next succeeding Business Day with the same force and effect as if made on the date such payment was due, and no interest shall accrue with respect to such payment for the period from and after such Interest Payment Date, Redemption Date or the Maturity Date, as the case may be, to the date of such payment on the next succeeding Business Day.

As used herein, "Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in The City of New York; provided, however, that if the Specified Currency is other than United States dollars, such day must also not be a day on which commercial banks are authorized or required by law, regulation or executive order to close in the Principal Financial Center (as defined below) of the country issuing the Specified Currency (or, if

the Specified Currency is Euro, such day must also be a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open). “Principal Financial Center” means the capital city of the country issuing the Specified Currency, except that with respect to United States dollars, Australian dollars, Canadian dollars, Euros, South African rands and Swiss francs, the “Principal Financial Center” shall be The City of New York, Sydney, Toronto, Johannesburg and Zurich, respectively.

The Company is obligated to make payment of principal, premium, if any, and interest in respect of this Note in the currency in which this Note is denominated above (or, if such currency is not at the time of such payment legal tender for the payment of public and private debts in the country issuing such currency or, if such currency is Euro, in the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union, then the currency which is at the time of such payment legal tender in the related country or in the adopting member states of the European Union, as the case may be) (the “Specified Currency”). If the Specified Currency is other than United States dollars, except as otherwise provided below, any such amounts so payable by the Company will be converted by the Exchange Rate Agent specified above into United States dollars for payment to the Holder of this Note.

Any United States dollar amount to be received by the Holder of this Note will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 A.M., New York City time, on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers (one of whom may be the Exchange Rate Agent) selected by the Exchange Rate Agent and approved by the Company for the purchase by the quoting dealer of the Specified Currency for United States dollars for settlement on such payment date in the aggregate amount of the Specified Currency payable to all Holders of Notes scheduled to receive United States dollar payments and at which the applicable dealer commits to execute a contract. All currency exchange costs will be borne by the Holder of this Note by deductions from such payments. If three such bid quotations are not available, payments on this Note will be made in the Specified Currency.

If the Specified Currency is other than United States dollars, the Holder of this Note may elect to receive all or a specified portion of any payment of principal, premium, if any, and/or interest, if any, in respect of this Note in the Specified Currency by submitting a written request for such payment to the Trustee at its corporate trust office in The City of New York on or prior to the applicable Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be. Such written request may be mailed or hand delivered or sent by cable, telex or other form of facsimile transmission. The Holder of this Note may elect to receive all or a specified portion of all future payments in the Specified Currency in respect of such principal, premium, if any, and/or interest, if any, and need not file a separate election for each payment. Such election will remain in effect until revoked by written notice delivered to the Trustee, but written notice of any such revocation must be received by the Trustee on or prior to the applicable Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be.

If the Specified Currency is other than United States dollars and the Holder of this Note shall have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest, if any, in respect of this Note in the Specified Currency, but the

Specified Currency is not available due to the imposition of exchange controls or other circumstances beyond the control of the Company, the Company will be entitled to satisfy its obligations to the Holder of this Note by making such payment in United States dollars on the basis of the Market Exchange Rate (as defined below) determined by the Exchange Rate Agent on the second Business Day prior to such payment date or, if such Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate. The "Market Exchange Rate" for the Specified Currency other than United States dollars means the noon dollar buying rate in The City of New York for cable transfers for the Specified Currency as certified for customs purposes (or, if not so certified, as otherwise determined) by the Federal Reserve Bank of New York. Any payment made in United States dollars under such circumstances shall not constitute an Event of Default (as defined in the Indenture).

All determinations referred to above made by the Exchange Rate Agent shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the Holder of this Note.

The Company agrees to indemnify the Holder of any Note against any loss incurred by such Holder as a result of any judgment or order being given or made against the Company for any amount due hereunder and such judgment or order requiring payment in a currency (the "Judgment Currency") other than the Specified Currency, and as a result of any variation between (i) the rate of exchange at which the Specified Currency amount is converted into the Judgment Currency for the purpose of such judgment or order, and (ii) the rate of exchange at which such Holder, on the date of payment of such judgment or order, is able to purchase the Specified Currency with the amount of the Judgment Currency actually received by such Holder, as the case may be. The foregoing indemnity constitutes a separate and independent obligation of the Company and continues in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" includes any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof and, if so specified on the face hereof, in an Addendum hereto, which further provisions shall have the same force and effect as if set forth on the face hereof.

Notwithstanding the foregoing, if an Addendum is attached hereto or "Other/Additional Provisions" apply to this Note as specified above, this Note shall be subject to the terms set forth in such Addendum or such "Other/Additional Provisions".

Unless the Certificate of Authentication hereon has been executed by the Trustee by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, UDR, Inc. has caused this Note to be duly executed by one of its duly authorized officers.

UDR, INC.

By: /s/ Joseph D. Fisher

Name: Joseph D. Fisher
Title: President and Chief Financial Officer

ATTEST:

By: /s/ Deborah J. Shannon

Name: Deborah J. Shannon
Title: Assistant Secretary

Dated: August 15, 2024

TRUSTEE'S CERTIFICATE OF AUTHENTICATION:

This is one of the Debt Securities of the series designated therein referred to in the within-mentioned Indenture.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By:/s/ K. Wendy Kumar
Authorized Signatory

Authentication Date: August 24, 2024

[REVERSE OF NOTE]

UDR, INC.

MEDIUM-TERM NOTE, SERIES A

DUE NINE MONTHS OR MORE FROM DATE OF ISSUE, FULLY AND UNCONDITIONALLY GUARANTEED BY UNITED DOMINION REALTY, L.P.

(Fixed Rate)

This Note is one of a duly authorized series of Debt Securities (the "Debt Securities") of the Company issued and to be issued under an Indenture, dated as of November 1, 1995, as supplemented by the first supplemental indenture thereto, dated as of May 3, 2011, as further amended, modified or supplemented from time to time (the "Indenture"), between the Company (successor by merger to United Dominion Realty Trust, Inc., a Virginia corporation) and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), successor trustee to Wachovia Bank, National Association (formerly known as First Union National Bank of Virginia), as trustee (the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Debt Securities, and of the terms upon which the Debt Securities are, and are to be, authenticated and delivered. This Note is one of the series of Debt Securities designated as "Medium-Term Notes, Series A Due Nine Months or More From Date of Issue, Fully and Unconditionally Guaranteed by United Dominion Realty, L.P." (the "Notes"). All terms used but not defined in this Note or in an Addendum hereto shall have the meanings assigned to such terms in the Indenture or on the face hereof, as the case may be.

United Dominion Realty, L.P., a Delaware limited partnership (the "Operating Partnership"), as primary obligor and not merely as surety, hereby irrevocably and unconditionally guarantees to the Holder and to the Trustee and their successors and assigns (a) the full and punctual payment when due, whether at the Maturity Date, by acceleration or otherwise, of all obligations of the Company now or hereafter existing under the Indenture whether for principal of or interest on the Notes (and premium and Make-Whole Amount, if applicable) and all other monetary obligations of the Company under the Indenture and the Notes and (b) the full and punctual performance within the applicable grace periods of all other obligations of the Company under the Indenture and the Notes (all such obligations guaranteed hereby by the Operating Partnership being the "Guarantee"). The Holder of this Note may enforce its rights under the Guarantee directly against the Operating Partnership without first making a demand or taking action against the Company or any other person or entity. The Operating Partnership may, without the consent of the Holder of this Note, assume all of the Company's rights and obligations under this Note and, upon such assumption, the Company will be released from its liabilities under the Indenture and this Note.

This Note is issuable only in registered form without coupons in minimum denominations of U.S. $2,000 and integral multiples of $1,000 or other Authorized Denomination specified on the

face hereof.

This Note will not be subject to any sinking fund and, unless otherwise specified on the face hereof in accordance with the provisions of the following two paragraphs, will not be redeemable or repayable prior to the Stated Maturity Date.

This Note will be subject to redemption at the option of the Company on any date on or after the Initial Redemption Date, if any, specified on the face hereof, in whole or from time to time in part in increments of U.S. $1,000 or other integral multiple of an Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S. $1,000 or such other minimum Authorized Denomination), at the Redemption Price (as defined below), together with unpaid interest accrued thereon to the date fixed for redemption (the “Redemption Date”), on written notice given to the Holder hereof (in accordance with the provisions of the Indenture) not more than 60 nor less than 10 calendar days prior to the Redemption Date. The “Redemption Price” shall be an amount equal to the Initial Redemption Percentage specified on the face hereof (as adjusted by the Annual Redemption Percentage Reduction, if any, specified on the face hereof) multiplied by the unpaid principal amount of this Note to be redeemed. The Initial Redemption Percentage, if any, shall decline at each anniversary of the Initial Redemption Date by the Annual Redemption Percentage Reduction, if any, until the Redemption Price is 100% of unpaid principal amount to be redeemed. In the event of redemption of this Note in part only, a new Note of like tenor for the unredeemed portion hereof and otherwise having the same terms and provisions as this Note shall be issued by the Company in the name of the Holder hereof upon the presentation and surrender hereof.

This Note will be subject to repayment by the Company at the option of the Holder hereof on the Optional Repayment Date(s), if any, specified on the face hereof, in whole or in part in increments of U.S. $1,000 or other integral multiple of an Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S. $1,000 or such other minimum Authorized Denomination), at a repayment price equal to 100% of the unpaid principal amount to be repaid, together with unpaid interest accrued thereon to the date fixed for repayment (the “Repayment Date”). For this Note to be repaid, the Trustee must receive at its corporate trust office in the Borough of Manhattan, The City of New York, not more than 60 nor less than 10 calendar days prior to the Repayment Date, such Note and instructions to such effect forwarded by the Holder hereof. Exercise of such repayment option by the Holder hereof shall be irrevocable. In the event of repayment of this Note in part only, a new Note of like tenor for the unrepaid portion hereof and otherwise having the same terms and provisions as this Note shall be issued by the Company in the name of the Holder hereof upon the presentation and surrender hereof.

If this Note is specified on the face hereof to be a Discount Note, the amount payable to the Holder of this Note in the event of redemption, repayment or acceleration of maturity will be equal to the sum of (1) the Issue Price specified on the face hereof (increased by any accruals of the Discount, as defined below) and, in the event of any redemption of this Note (if applicable), multiplied by the Initial Redemption Percentage (as adjusted by the Annual Redemption Percentage Reduction, if applicable) and (2) any unpaid interest accrued thereon to the Redemption Date, Repayment Date or date of acceleration of maturity, as the case may be. The difference between the Issue Price and 100% of the principal amount of this Note is referred to herein as the “Discount”.

For purposes of determining the amount of Discount that has accrued as of any Redemption Date, Repayment Date or date of acceleration of maturity of this Note, such Discount will be accrued so as to cause the yield on the Note to be constant. The constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the Initial Period (as defined below), corresponds to the shortest period between Interest Payment Dates (with ratable accruals within a compounding period) and an assumption that the maturity of this Note will not be accelerated. If the period from the Original Issue Date to the initial Interest Payment Date (the "Initial Period") is shorter than the compounding period for this Note, a proportionate amount of the yield for an entire compounding period will be accrued. If the Initial Period is longer than the compounding period, then such period will be divided into a regular compounding period and a short period, with the short period being treated as provided in the preceding sentence.

The covenants set forth in Section 1004(a) and Section 1007 of the Indenture shall not apply to this Note, and the following covenants shall instead apply to this Note in place of the covenants set forth in Section 1004(a) and Section 1007 of the Indenture:

> "The Trust will, and will cause the Subsidiaries to, have at all times Total Unencumbered Assets of not less than 150% of the aggregate principal amount of all of the Trust's outstanding Unsecured Debt and the outstanding Unsecured Debt of the Subsidiaries, determined on a consolidated basis in accordance with GAAP.
>
> The Trust will not, and will not permit any Subsidiary to, incur any Debt if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds thereof, the aggregate principal amount of all outstanding Debt of the Trust and its Subsidiaries on a consolidated basis determined in accordance with GAAP is greater than 65% of the sum of (without duplication) (i) the Trust's Total Assets as of the end of the calendar quarter covered in the Trust's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the Commission (or, if such filing is not permitted under the Exchange Act, with the Trustee) prior to the incurrence of such additional Debt and (ii) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by the Trust or any Subsidiary since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Debt.
>
> "Total Unencumbered Assets" means the sum of, without duplication, those Undepreciated Real Estate Assets which are not subject to a lien securing
>
> Debt and all other assets, excluding accounts receivable and intangibles, of the Trust and the Subsidiaries not subject to a lien securing Debt, all determined on a consolidated basis in accordance with GAAP; provided, however, that all investments by the Trust and the Subsidiaries in unconsolidated joint ventures, unconsolidated limited partnerships, unconsolidated limited liability companies and other unconsolidated entities shall be excluded from Total Unencumbered

Assets to the extent that such investments would have otherwise been included."

If an Event of Default shall occur and be continuing, the principal of the Notes may, and in certain cases shall, be accelerated in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance of (i) the entire indebtedness of the Notes or (ii) certain covenants and Events of Default with respect to the Notes, in each case upon compliance with certain conditions set forth therein, which provisions apply to the Notes.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Debt Securities at any time by the Company and the Trustee with the consent of the Holders of a majority of the aggregate principal amount of all Debt Securities at the time outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority of the aggregate principal amount of the outstanding Debt Securities of any series, on behalf of the Holders of all such Debt Securities, to waive compliance by the Company with certain provisions of the Indenture. Furthermore, provisions in the Indenture permit the Holders of a majority of the aggregate principal amount of the outstanding Debt Securities of any series, in certain instances, to waive, on behalf of all of the Holders of Debt Securities of such series, certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and other Notes issued upon the registration of transfer hereof or in exchange heretofore or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay principal, premium, if any, and interest in respect of this Note at the times, places and rate or formula, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein and herein set forth, the transfer of this Note is registrable in the Security Register of the Company upon surrender of this Note for registration of transfer at the office or agency of the Company in any place where the principal hereof and any premium or interest hereon are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or by his attorney duly authorized in writing, and thereupon one or more new Notes having the same terms and provisions, of Authorized Denominations and for the same aggregate principal amount, will be issued by the Company to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein and herein set forth, this Note is exchangeable for a like aggregate principal amount of Notes of different Authorized Denominations but otherwise having the same terms and provisions, as requested by the Holder hereof surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Holder as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary, except as required by law.

THE INDENTURE AND THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT	- ___________ Custodian ______
TEN ENT	- as tenants by the entireties		(Cust) (Minor)
JT TEN	- as joint tenants with right of survivorship and not as tenants in common		under Uniform Gifts to Minors Act ________________________ (State)

Additional abbreviations may also be used though not in the above list.

____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

____

____
(Please print or typewrite name and address including postal zip code of assignee)

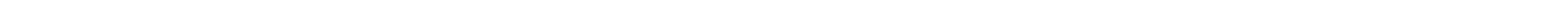
____
this Note and all rights thereunder hereby irrevocably constituting and appointing

____
Attorney to transfer this Note on the books of the Company, with full power of substitution in the premises.

Dated: ______________________ ______________________________________

______________________ ______________________________________

Notice: The signature(s) on this Assignment must correspond with the name(s) as written upon the face of this Note in every particular, without alteration or enlargement or any change whatsoever.



UDR, INC.

ADDENDUM TO MEDIUM-TERM NOTE

(Fixed Rate)

Prior to June 1, 2034 (three months prior to their maturity date) (the "Par Call Date"), the Company may redeem the Notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points less (b) interest accrued to the date of redemption, and

(2) 100% of the principal amount of the notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon to the redemption date.

On or after the Par Call Date, the Company may redeem the Notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to the redemption date.

"Treasury Rate" means, with respect to any redemption date, the yield determined by us in accordance with the following two paragraphs.

The Treasury Rate shall be determined by us after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the date the notice of redemption is given based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as "Selected Interest Rates (Daily) - H.15" (or any successor designation or publication) ("H.15") under the caption "U.S. government securities–Treasury constant maturities–Nominal" (or any successor caption or heading) ("H.15 TCM"). In determining the Treasury Rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the Par Call Date (the "Remaining Life"); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third business day preceding the date the notice of redemption is given H.15 TCM is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second business day preceding the date the notice of redemption is given of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Company's actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error.

Exhibit 22.1

LIST OF GUARANTOR SUBSIDIARIES

Guarantor Subsidiary

United Dominion Realty, L.P., a Delaware limited partnership, of which UDR, Inc. ("UDR") is the parent company and sole general partner, has guaranteed each of the senior unsecured debt securities issued by UDR listed below.

Guaranteed Securities

2.95% Medium-Term Notes due September 2026
3.50% Medium-Term Notes due July 2027
3.50% Medium-Term Notes due January 2028
4.40% Medium-Term Notes due January 2029
3.20% Medium-Term Notes due January 2030
3.00% Medium-Term Notes due August 2031
2.10% Medium-Term Notes due August 2032
1.90% Medium-Term Notes due March 2033
2.10% Medium-Term Notes due June 2033
5.125% Medium-Term Notes due September 2034
3.10% Medium-Term Notes due November 2034

EXHIBIT 31.1

CERTIFICATION

I, Thomas W. Toomey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of UDR, Inc.;

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

(d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2024

/s/ Thomas W. Toomey

Thomas W. Toomey
Chairman of the Board and Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Joseph D. Fisher, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of UDR, Inc.;

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report, based on such evaluation; and

(d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2024

/s/ Joseph D. Fisher

Joseph D. Fisher
President and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION

In connection with the periodic report of UDR, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission (the "Report"), I, Thomas W. Toomey, Chairman of the Board and Chief Executive Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: October 31, 2024

/s/ Thomas W. Toomey

Thomas W. Toomey
Chairman of the Board and Chief Executive Officer (Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION

In connection with the periodic report of UDR, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission (the "Report"), I, Joseph D. Fisher, President and Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: October 31, 2024

/s/ Joseph D. Fisher

Joseph D. Fisher
President and Chief Financial Officer
(Principal Financial Officer)