

UDR, Inc.
Form 424B3
May 30, 2012
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**Filed pursuant to Rule 424(b)(3)
Registration No. 333-176616**

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject To Completion

Preliminary Prospectus Supplement Dated May 29, 2012

PROSPECTUS SUPPLEMENT

(To prospectus dated September 1, 2011)

19,000,000 Shares

UDR, Inc.

Common Stock

We are offering 19,000,000 shares of our common stock, par value \$0.01 per share. Our common stock is listed on the New York Stock Exchange, or the NYSE, under the symbol UDR. On May 25, 2012, the last sale price of the shares on the NYSE was \$26.15 per share.

Investing in our common stock involves certain risks. You should carefully consider the risks described in the section entitled Risk Factors on page S-4 of this prospectus supplement, page 1 of the accompanying prospectus and the risks set forth under the caption Risk Factors included in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

	Per Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$

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Proceeds, before expenses, to UDR	\$	\$
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The underwriters may also exercise their option to purchase up to an additional 2,850,000 shares from UDR at the public offering price, less the underwriting discounts, within 30 days from the date of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares on or about June , 2012.

Joint Book-Running Managers

BofA Merrill Lynch

J.P. Morgan

The date of this prospectus supplement is May , 2012.

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This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the prospectus. The second part is the accompanying prospectus, which gives more general information about us and the securities we may offer, some of which may not apply to this offering. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or any document incorporated by reference herein or therein, the information in this prospectus supplement shall control.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by or behalf of us or to which we have referred you. Neither we nor any of the underwriters have authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. Neither we nor the underwriters are making an offer to sell the securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus supplement, the accompanying prospectus, any free writing prospectus and

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the documents incorporated by reference herein and therein is accurate only as of the respective dates of those documents or on other dates which are specified in those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

References in this prospectus supplement to **UDR, United Dominion Realty Trust, Inc., we, us, our or the Company** are to **UDR, L.P.**
References in this prospectus supplement to **UDR LP or the Operating Partnership** are to **United Dominion Realty, L.P.**

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STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or 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, believe, seeks, estimates, and variations of such words and similar expressions are intended to identify such forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from the results of operations or plans expressed or implied by such forward-looking statements. Such factors include, among other things, unfavorable changes in the apartment market, changing economic conditions, the impact of inflation/deflation on rental rates and property operating expenses, expectations concerning availability of capital and the stabilization of the capital markets, the impact of competition and competitive pricing, acquisitions, developments and redevelopments not achieving anticipated results, delays in completing developments, redevelopments and lease-ups on schedule, expectations on job growth, home affordability and demand/supply ratio for multifamily housing, expectations concerning development and redevelopment activities, and expectations on occupancy levels.

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

general economic factors;

unfavorable changes in apartment market and economic conditions that could adversely affect occupancy levels and rental rates;

the failure of acquisitions 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 reduce 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 extraordinary losses for which we may not have insurance or adequate reserves;

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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;

our failure to succeed in new markets;

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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 Internal Revenue 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 and other laws affecting our business.

Please also refer to the section entitled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2012 for further information on these and other risks affecting us.

Although we believe that the assumptions underlying the forward-looking statements contained or incorporated by reference herein are reasonable, any of the assumptions could be inaccurate, and therefore such statements included or incorporated by reference herein may not prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included or incorporated by reference herein, the inclusion or incorporation by reference 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 they are made, and we expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained or incorporated by reference 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.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information more fully described elsewhere in this prospectus supplement and the accompanying prospectus. Before investing in our common stock, you should read carefully this entire prospectus supplement and the accompanying prospectus including the risks set forth under the caption "Risk Factors" beginning on page S-4 of this prospectus supplement, and the risks set forth under the caption "Risk Factors" included in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are incorporated by reference herein and in the accompanying prospectus, as the same may be updated from time to time by filings under the Exchange Act that we incorporate by reference herein and in the accompanying prospectus.

Our Company

We are a self-administered real estate investment trust, or REIT, that owns, operates, acquires, renovates, develops, redevelops and manages multifamily apartment communities generally located in high barrier-to-entry markets located throughout the United States. These high barrier-to-entry markets are characterized by limited land for new construction, difficult and lengthy entitlement processes, expensive single-family home prices and significant employment growth potential. As of March 31, 2012, our consolidated apartment portfolio included 157 communities located in 22 markets, with a total of 45,969 completed apartment homes which are held through the Operating Partnership and our subsidiaries. In addition, we have an ownership interest in 44 communities including 11,110 completed apartment homes through unconsolidated joint ventures. At March 31, 2012, the Company is developing five wholly-owned communities with 1,748 apartment homes, none of which have been completed.

We have elected to be taxed as a REIT under the applicable provisions of the Internal Revenue Code. To continue to qualify as a REIT under the Internal Revenue Code, we must continue to meet certain tests which, among other things, generally require that our assets consist primarily of real estate assets, our income be derived primarily from real estate assets, and that we distribute at least 90% of our REIT taxable income (other than our net capital gain) to our stockholders. As a qualified REIT, we generally will not be subject to U.S. federal income taxes on our REIT taxable income to the extent we distribute such income to our stockholders.

We were formed in 1972 as a Virginia corporation and reincorporated in the State of Maryland in June 2003. The Operating Partnership was formed in 2004 as a Delaware limited partnership. The Operating Partnership is the successor-in-interest to United Dominion Realty, L.P., a limited partnership formed under the laws of Virginia, which commenced operations in 1995.

Additional information regarding UDR and the Operating Partnership is set forth in documents on file with the SEC and incorporated by reference in this prospectus supplement and the accompanying prospectus, as described in the sections entitled "Where You Can Find More Information" and "Incorporation of Certain Documents by Reference."

Recent Developments

In March 2012, we entered into an agreement to sell 15 unencumbered communities containing 4,931 homes for \$477 million in gross proceeds. The anticipated dispositions are located in Phoenix, AZ, Jacksonville, FL, Dallas, TX and Richmond, VA, and will mark our exit from the Phoenix and Jacksonville markets. The sale is expected to close during the second quarter of 2012, subject to customary closing conditions.

On April 27, 2012, we announced that we will redeem all issued and outstanding shares of our 6.75% Series G Cumulative Redeemable Preferred Stock on May 31, 2012. We will redeem the Series G Preferred Stock at a redemption price of \$25 per share in cash, plus accrued and unpaid dividends to the redemption date. There are currently 3,264,362 shares of Series G Preferred Stock issued and outstanding. The total cash cost of

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the redemption will be \$81.6 million plus accrued and unpaid dividends up to the redemption date. Dividends will cease to accrue on all shares of Series G Preferred Stock on the redemption date.

On April 4, 2012, we entered into a new equity distribution agreement with respect to our At the Market equity distribution program, under which we may offer and sell up to 20 million shares of our common stock, from time to time, to or through our sales agents. As of May 21, 2012, we had sold 71,000 shares of common stock under our new equity distribution agreement.

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The Offering

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of our common stock, see **Description of Common Stock** on page S-7 of this prospectus supplement and **Description of Capital Stock** beginning on page 4 of the accompanying prospectus.

Issuer	UDR, Inc.
Shares Offered	19,000,000 shares of our common stock, par value \$0.01 per share.
Common stock to be outstanding after the completion of this offering	262,244,277 shares of our common stock. ⁽¹⁾
Use of Proceeds	We intend to use the net proceeds from this offering to repay approximately \$364 million of our 3.3% secured debt due 2012-2014, to redeem all of our 6.75% Series G Preferred Stock for a total cash cost of \$81.6 million plus accrued and unpaid dividends up to the redemption date, to repay a portion of the indebtedness currently outstanding under our unsecured credit facility and the balance for working capital and general corporate purposes. See Use of Proceeds .
Risk Factors	You should read carefully the risks set forth under the caption Risk Factors beginning on page S-4 of this prospectus supplement and the risks set forth under the caption Risk Factors included in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, for certain considerations relevant to an investment in our common stock.
NYSE Trading Symbol	UDR
Transfer Agent and Registrar	Wells Fargo Bank, N.A.

(1) Does not include 9,415,819 shares of common stock issuable upon the exercise of outstanding operating partnership units; 3,035,548 shares of common stock issuable upon the conversion of outstanding preferred stock; and 2,430,127 shares of common stock issued or issuable in connection with the exercise of outstanding stock options.

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RISK FACTORS

Investing in our common stock involves risks. Before investing in our common stock, you should carefully consider, among other matters, the risks set forth under the caption "Risk Factors" included in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are incorporated by reference into this prospectus supplement and the accompanying prospectus, as the same may be updated from time to time by filings under the Exchange Act that we incorporate by reference herein and in the accompanying prospectus.

The market value of our common stock could be substantially affected by various factors.

Market volatility may adversely affect the market price of our common stock. As with other publically traded securities, the share price of our common stock depends on many factors, which may change from time to time, including:

the market for similar securities issued by REITs;

changes in estimates by analysts;

our ability to meet analysts' estimates;

prevailing interest rates;

general economic and financial market conditions; and

our financial condition, performance and prospects.

Our issuance of additional capital stock or debt securities, whether or not convertible, may reduce the market price for shares of our common stock and dilute the ownership interests of existing stockholders.

We cannot predict the effect, if any, that future sales of our capital stock or debt securities, including sales pursuant to the sales agreement, or the availability of our securities for future sale, will have on the market price of shares of our common stock. Sales of substantial amounts of our common stock or preferred shares, or debt securities convertible into or exercisable or exchangeable for common stock in the public market, or the perception that such sales might occur, could negatively impact the market price of our common stock and the terms upon which we may obtain additional equity financing in the future. The issuance of any additional shares of our common stock or securities convertible into or exchangeable for common stock or that represent the right to receive common stock, or the exercise of such securities, could be substantially dilutive to holders of our common stock, including purchasers of common stock in this offering.

In addition, we may issue additional capital stock in the future to raise capital or as a result of the following:

the issuance and exercise of options to purchase our common stock;

the issuance of shares pursuant to our dividend reinvestment plan; and

the issuance of debt securities exchangeable for our common stock.

Legislative or regulatory action could adversely affect purchasers of our common stock.

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In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of the federal income tax laws applicable to investments similar to an investment in our common

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stock. Changes are likely to continue to occur in the future, and we cannot assure you that any of these changes will not adversely affect our stockholders' stock. Any of these changes could have an adverse effect on an investment in our common stock or on market value or resale potential of our common stock. Stockholders are urged to consult with their own tax advisor with respect to the impact that recent legislation may have on their investment and the status of legislative, regulatory or administrative developments and proposals and their potential effect on their investment in our stock.

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USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately \$ million, or approximately \$ million if the underwriters exercise their option to purchase additional shares in full, in each case after deducting underwriting discounts and estimated offering expenses.

We intend to use the net proceeds from this offering to repay approximately \$364 million of our 3.3% secured debt due 2012-2014, to redeem all of our 6.75% Series G Preferred Stock for a total cash cost of \$81.6 million plus accrued and unpaid dividends up to the redemption date, to repay approximately \$28 million of indebtedness currently outstanding under our unsecured credit facility, which based on our current credit ratings carries an interest rate equal to LIBOR plus a spread of 122.5 basis points and has an initial term that expires on October 23, 2015 and the balance for working capital and general corporate purposes. As of May 25, 2012, the balance under our unsecured credit facility was approximately \$322 million.

Banking affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC are lenders under our unsecured credit facility. Certain of these affiliates may receive proceeds from the repayment of our secured debt from the net proceeds of this offering. See Underwriting (Conflict of Interest) Conflict of Interest.

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DESCRIPTION OF COMMON STOCK

A summary of some of the important terms of our common stock is set forth on page 4 in the accompanying prospectus under the heading Description of Capital Stock. You should review our amended and restated charter and amended and restated bylaws for a more complete description of our common stock. As of May 25, 2012, there were 243,244,277 shares of our common stock issued and outstanding, which does not include 9,415,819 shares of common stock issuable upon the exercise of outstanding operating partnership units; 3,035,548 shares of common stock issuable upon the conversion of outstanding preferred stock; and 2,430,127 shares of common stock issued or issuable in connection with the exercise of outstanding stock options. Our common stock is traded on the NYSE under the symbol UDR.

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Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
J.P. Morgan Securities LLC	
Total	19,000,000

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus supplement and to dealers at that price less a concession not in excess of \$ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	Per Share	Without Option	With Option
Public offering price	\$	\$	\$
Underwriting discount	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$

The expenses of the offering, not including the underwriting discount, are estimated at \$ and are payable by us.

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Option Shares

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus supplement, to purchase up to 2,850,000 additional shares at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the table above.

No Sales of Similar Securities

We have agreed for a period ending 60 days after the date of the underwriting agreement, with certain exceptions, not to (i) offer, pledge, sell, contract to sell, solicit offers to purchase, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by us or any of our affiliates or any person in privity with our company or any of our affiliates), directly or indirectly, or announce the offering of any shares of any class of our common stock or any securities convertible into, or exercisable or exchangeable for shares of any class of our common stock (whether such shares or any such securities are now owned or hereafter acquired) or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of shares of any class of our capital stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of shares of any class of our capital stock or such other securities, in cash or otherwise, without the prior written consent of the representatives.

Certain of our officers and our directors have agreed for a period ending 60 days after the date of the underwriting agreement, with certain exceptions including transfers to immediate family members and certain trusts by gift, will, intestate succession or domestic relations order or sales pursuant to pre-existing Rule 10b5-1 plans, not to sell, solicit offers to purchase, pledge or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by such officer or director or any affiliate of the officer or director or any person in privity with the officer or director or any affiliate of the officer or director), directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Securities and Exchange Commission, or the SEC, in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act and the rules and regulations of the SEC promulgated thereunder with respect to, any shares of capital stock of the Company or any securities convertible or exercisable or exchangeable for such capital stock, or publicly announce an intention to effect any such transaction, without the prior written consent of the representatives.

New York Stock Exchange Listing

Our shares are listed on the NYSE under the symbol UDR.

Price Stabilization, Short Positions

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of

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shares than they are required to purchase in the offering. Covered short sales are sales made in an amount not greater than the underwriters option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option granted to them. Naked short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

Similar to other purchase transactions, the underwriters purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the NYSE, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Offer, Sale and Distribution of Shares

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail. In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated may facilitate Internet distribution for this offering to certain of its Internet subscription customers. Merrill Lynch, Pierce, Fenner & Smith Incorporated may allocate a limited number of shares for sale to its online brokerage customers. An electronic prospectus is available on the Internet web site maintained by Merrill Lynch, Pierce, Fenner & Smith Incorporated. Other than the prospectus in electronic format, the information on the Merrill Lynch, Pierce, Fenner & Smith Incorporated web site is not part of this prospectus.

Conflict of Interest

As described above under Use of Proceeds, a portion of the net proceeds of this offering will be used to repay amounts outstanding under our unsecured credit facility. Banking affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC are lenders under our unsecured credit facility. Because affiliates of the underwriters are lenders under our unsecured credit facility, certain of the underwriters or their affiliates may receive more than 5% of the proceeds of this offering. Nonetheless, in accordance with Rule 5121 of the Financial Industry Regulatory Authority, Inc., the appointment of a qualified independent underwriter is not necessary in connection with this offering because, as a REIT, we are excluded from that requirement.

Other Relationships

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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Each of the underwriters may arrange to sell the shares offered hereby in certain jurisdictions outside the United States, either directly or through affiliates, where they are permitted to do so.

Selling Restrictions

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date), no offer of shares may be made to the public in that Relevant Member State other than:

- A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or
- C. in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that (A) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive, and (B) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors as defined in the Prospectus Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Relevant Member State of shares which are the subject of the offering contemplated in this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

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For the purpose of the above provisions, the expression “an offer to the public” in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) and/or (ii) who are high net worth companies falling within Article 49(2)(a) to (d) of the Order (or persons to whom it may otherwise be lawfully communicated) (all such persons together being referred to as “relevant persons”). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

We have not and will not register with the Swiss Financial Market Supervisory Authority (“FINMA”) as a foreign collective investment scheme pursuant to Article 119 of the Federal Act on Collective Investment Scheme of 23 June 2006, as amended (“CISA”), and accordingly the securities being offered pursuant to this prospectus supplement and the accompanying prospectus have not and will not be approved, and may not be licenseable, with FINMA. Therefore, the securities have not been authorized for distribution by FINMA as a foreign collective investment scheme pursuant to Article 119 CISA and the securities offered hereby may not be offered to the public (as this term is defined in Article 3 CISA) in or from Switzerland. The securities may solely be offered to “qualified investors,” as this term is defined in Article 10 CISA, and in the circumstances set out in Article 3 of the Ordinance on Collective Investment Scheme of 22 November 2006, as amended (“CISO”), such that there is no public offer. Investors, however, do not benefit from protection under CISA or CISO or supervision by FINMA. This prospectus supplement and the accompanying prospectus and any other materials relating to the securities are strictly personal and confidential to each offeree and do not constitute an offer to any other person. This prospectus supplement and the accompanying prospectus may only be used by those qualified investors to whom it has been handed out in connection with the offer described herein and may neither directly or indirectly be distributed or made available to any person or entity other than its recipients. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in Switzerland or from Switzerland. This prospectus supplement and the accompanying prospectus does not constitute an issue prospectus as that term is understood pursuant to Article 652a and/or 1156 of the Swiss Federal Code of Obligations. We have not applied for a listing of the securities on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in this prospectus supplement and the accompanying prospectus does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus supplement and the accompanying prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (“DFSA”). This prospectus supplement and the accompanying prospectus is intended for distribution only to persons of a type specified in

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the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement and the accompanying prospectus nor taken steps to verify the information set forth herein or therein and has no responsibility for the prospectus supplement and the accompanying prospectus. The shares to which this prospectus supplement and the accompanying prospectus relate may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus supplement and the accompanying prospectus you should consult an authorized financial advisor.

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WHERE YOU CAN FIND MORE INFORMATION

We are subject to the information requirements of the Exchange Act which means that we are required to file annual, quarterly and current reports, proxy statements and other information with the SEC, all of which are available at the Public Reference Room of the SEC at 100 F Street, NE, Washington, D.C. 20549. You may also obtain copies of the reports, proxy statements and other information from the Public Reference Room of the SEC, at prescribed rates, by calling 1-800-SEC-0330. The SEC maintains a website at <http://www.sec.gov> where you can access reports, proxy, information and registration statements, and other information regarding registrants that file electronically with the SEC. You may also access our SEC filings free of charge on our website at www.udr.com.

You should be aware that this prospectus supplement does not contain all of the information contained or incorporated by reference in that registration statement and its exhibits and schedules. You may inspect and obtain the registration statement, including exhibits, schedules, reports and other information that we have filed with the SEC, as described in the preceding paragraph. Statements contained in this prospectus supplement concerning the contents of any document we refer you to are not necessarily complete and in each instance we refer you to the applicable document filed with the SEC for more complete information.

You can inspect our reports, proxy statements and other information that we file at the offices of the NYSE at 20 Broad Street, New York, New York 10005.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference herein is an important part of this prospectus supplement and the accompanying prospectus. Any statement contained in a document which is incorporated by reference in this prospectus supplement and the accompanying prospectus is automatically updated and superseded if information contained in this prospectus supplement and the accompanying prospectus, or information that we later file with the SEC prior to the termination of this offering, modifies or replaces this information. The following documents filed with the SEC (Commission File No. 1-10524) are incorporated by reference in this prospectus supplement and the accompanying prospectus, except for any document or portion thereof deemed to be furnished and not filed in accordance with SEC rules:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, filed with the SEC on February 27, 2012;

our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2012, filed with the SEC on May 2, 2012;

our Current Reports on Form 8-K, filed with the SEC on January 10, 2012, February 7, 2012, April 4, 2012, April 5, 2012, April 20, 2012, April 27, 2012, May 3, 2012, May 15, 2012 and May 16, 2012;

our definitive Proxy Statement dated April 4, 2012, and definitive Additional Materials filed with the SEC on April 4, 2012, both filed in connection with our Annual Meeting of Stockholders held on May 16, 2012;

all other reports filed by us pursuant to Section 13(a) or 15(d) of the Exchange Act since December 31, 2011 (other than any document or portion thereof deemed to be furnished and not filed in accordance with the rules and regulations of the SEC); and

all other documents and reports we file after the date of this prospectus supplement and prior to completion of this offering pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (with the exception of information that is deemed furnished rather than filed, which information shall not be deemed incorporated by reference herein).

As explained above in *Where You Can Find More Information*, these incorporated documents (as well as other documents filed by us under the Exchange Act) are available at the SEC and may be accessed in a number of ways, including online via the internet.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement and the accompany prospectus are delivered, a copy of any of the documents referred to above by written or oral request to:

UDR, Inc.

1745 Shea Center Drive, Suite 200

Highlands Ranch, Colorado 80129

Attention: Investor Relations

Telephone: (720) 283-6120

We maintain a web site at www.udr.com. The information on our website is not considered a part of, or incorporated by reference in, this prospectus supplement, the accompanying prospectus, or any other document we file with or furnish to the SEC.

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LEGAL MATTERS

The validity of the common stock offered hereby and certain U.S. federal income tax matters will be passed upon for us by Morrison & Foerster LLP and certain U.S. federal income tax matters will be passed upon for us by Kutak Rock LLP. Certain legal matters will be passed upon for the underwriters by Sidley Austin LLP.

EXPERTS

The consolidated financial statements of UDR, Inc. and United Dominion Realty, L.P. appearing in the Current Report on Form 8-K dated May 2, 2012 of UDR, Inc. (including the schedules appearing therein), and the effectiveness of UDR Inc.'s internal control over financial reporting as of December 31, 2011, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein or in the Annual Report (Form 10-K) of UDR, Inc. for the year ended December 31, 2011 and incorporated herein by reference. Such financial statements are incorporated herein in reliance upon the reports of Ernst & Young LLP pertaining to such financial statements given on the authority of such firm as experts in accounting and auditing.

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Prospectus

UDR, Inc.

Common Stock

Preferred Stock

Debt Securities

Guarantees of Debt Securities

Warrants

Subscription Rights

Purchase Contracts

Purchase Units

We may from time to time offer to sell together or separately in one or more offerings:

common stock;

preferred stock;