

UDR, Inc.
Form 10-Q
July 28, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q

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

For the quarterly period ended June 30, 2015

OR
o 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.)
333-156002-01 (United Dominion Realty, L.P.)

UDR, Inc.
United Dominion Realty, L.P.
(Exact name of registrant as specified in its charter)
Maryland (UDR, Inc.) 54-0857512
Delaware (United Dominion Realty, L.P.) 54-1776887
(State or other jurisdiction of (I.R.S. Employer
incorporation of organization) 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)

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.

UDR, Inc. Yes x No o
United Dominion Realty, L.P. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

UDR, Inc. Yes x No o
United Dominion Realty, L.P. Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

UDR, Inc.:
Large accelerated filer x Accelerated filer o Non-accelerated filer o Smaller reporting company o
(Do not check if a smaller reporting company)

United Dominion Realty, L.P.:
Large accelerated filer o Accelerated filer o Non-accelerated filer x Smaller reporting company o
(Do not check if a smaller reporting company)

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

UDR, Inc.

Yes No

United Dominion Realty, L.P.

Yes No

The number of shares of UDR, Inc.'s common stock, \$0.01 par value, outstanding as of July 27, 2015 was 259,101,916.

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UNITED DOMINION REALTY, L.P.

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EXPLANATORY NOTE

This Report combines the quarterly reports on Form 10-Q for the quarter ended June 30, 2015 of UDR, Inc., a Maryland corporation, and United Dominion Realty, L.P., a Delaware limited partnership, of which UDR, Inc. is the parent company and sole general partner. Unless the context otherwise requires, all references in this Report to “we,” “us,” “our,” the “Company,” “UDR” or “UDR, Inc.” refer collectively to UDR, Inc., together with its consolidated subsidiaries and joint ventures, including the Operating Partnership. Unless the context otherwise requires, the references in this Report to the “Operating Partnership” or the “OP” refer to United Dominion Realty, L.P. together with its consolidated subsidiaries. “Common stock” refers to the common stock of UDR and “stockholders” means the holders of shares of UDR’s common stock and preferred stock. The limited partnership interests of the Operating Partnership are referred to as the “OP Units” and the holders of the OP Units are referred to as “unitholders.” This combined Form 10-Q is being filed separately by UDR and the Operating Partnership.

There are a number of differences between our Company and our Operating Partnership, which are reflected in our disclosure in this Report. UDR is a real estate investment trust (a “REIT”), whose most significant asset is its ownership interest in the Operating Partnership. UDR also conducts business through other subsidiaries, including its taxable REIT subsidiaries (“TRS”), whose activities include development of land and land entitlement. UDR acts as the sole general partner of the Operating Partnership, holds interests in subsidiaries and joint ventures, owns and operates properties, issues securities from time to time and guarantees debt of certain of our subsidiaries. The Operating Partnership conducts the operations of a substantial portion of the business and is structured as a partnership with no publicly traded equity securities. The Operating Partnership has guaranteed certain outstanding debt of UDR. As of June 30, 2015, UDR owned 110,883 units (100%) of the general partnership interests of the Operating Partnership and 174,105,126 units (approximately 95.1%) of the limited partnership interests of the Operating Partnership. UDR conducts a substantial amount of its business and holds a substantial amount of its assets through the Operating Partnership, and, by virtue of its ownership of the OP Units and being the Operating Partnership’s sole general partner, UDR has the ability to control all of the day-to-day operations of the Operating Partnership. Separate financial statements and accompanying notes, as well as separate discussions under “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” are provided for each of UDR and the Operating Partnership.

UDR, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	June 30, 2015 (unaudited)	December 31, 2014 (audited)
ASSETS		
Real estate owned:		
Real estate held for investment	\$8,332,634	\$8,205,627
Less: accumulated depreciation	(2,557,949)	(2,434,772)
Real estate held for investment, net	5,774,685	5,770,855
Real estate under development (net of accumulated depreciation of \$0)	92,645	177,632
Total real estate owned, net of accumulated depreciation	5,867,330	5,948,487
Cash and cash equivalents	2,990	15,224
Restricted cash	22,912	22,340
Deferred financing costs, net	19,930	22,686
Notes receivable, net	15,494	14,369
Investment in and advances to unconsolidated joint ventures, net	914,815	718,226
Other assets	96,259	105,202
Total assets	\$6,939,730	\$6,846,534
LIABILITIES AND EQUITY		
Liabilities:		
Secured debt	\$1,350,439	\$1,361,529
Unsecured debt	2,213,964	2,221,576
Real estate taxes payable	18,263	15,978
Accrued interest payable	27,735	34,215
Security deposits and prepaid rent	33,366	34,064
Distributions payable	75,129	69,460
Accounts payable, accrued expenses, and other liabilities	72,054	91,282
Total liabilities	3,790,950	3,828,104
Commitments and contingencies (Note 12)		
Redeemable noncontrolling interests in the Operating Partnership	290,278	282,480
Equity:		
Preferred stock, no par value; 50,000,000 shares authorized:		
8.00% Series E Cumulative Convertible; 2,803,812 shares issued and outstanding at June 30, 2015 and December 31, 2014	46,571	46,571
Common stock, \$0.01 par value; 350,000,000 shares authorized:		
259,091,257 and 255,114,603 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively	2,591	2,551
Additional paid-in capital	4,342,829	4,223,747
Distributions in excess of net income	(1,525,159)	(1,528,917)
Accumulated other comprehensive income/(loss), net	(9,190)	(8,855)
Total stockholders' equity	2,857,642	2,735,097
Noncontrolling interests	860	853
Total equity		