UDR, Inc.
Form 10-Q
May 01, 2019
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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 March 31, 2019

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.)

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 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)

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	No
United Dominion Realty, L.P.	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).

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

UDR, Inc.:

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
			Emerging growth company

United Dominion Realty, L.P.:

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.

UDR, Inc.
United Dominion Realty, L.P.

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 April 29, 2019 was 281,794,814.

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UDR, INC.

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 March 31, 2019 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 United Dominion Realty, L.P. and UDR Lighthouse DownREIT L.P. (the “DownREIT Partnership”), also a Delaware limited partnership of which UDR is the sole general partner. 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 and the DownREIT Partnership are referred to as “OP Units” and “DownREIT Units,” respectively, and the holders of the OP Units and DownREIT 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 the Company and the Operating Partnership, which are reflected in our disclosures in this Report. UDR is a real estate investment trust (“REIT”), whose most significant asset is its ownership interest in the Operating Partnership. UDR also conducts business through other subsidiaries, including its taxable REIT subsidiary (“TRS”). 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 March 31, 2019, UDR owned 110,883 units (100%) of the general partnership interests of the Operating Partnership and 175,946,364 OP Units, representing approximately 95.6% of the total outstanding OP Units in 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 UDR’s role as 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 presented in this report for each of UDR and the Operating Partnership.

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UDR, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	March 31, 2019 (unaudited)	December 31, 2018 (audited)
ASSETS		
Real estate owned:		
Real estate held for investment	$ 10,680,555	$ 10,196,159
Less: accumulated depreciation	(3,764,099)	(3,654,160)
Total real estate owned, net of accumulated depreciation	6,916,456	6,541,999
Cash and cash equivalents	1,043	185,216
Restricted cash	23,111	23,675
Notes receivable, net	36,974	42,259
Investment in and advances to unconsolidated joint ventures, net	749,100	780,869
Operating lease right-of-use assets	94,145	—
Other assets	134,896	137,710
Total assets	$ 7,955,725	$ 7,711,728
LIABILITIES AND EQUITY		
Liabilities:		
Secured debt, net	$ 599,796	$ 601,227
Unsecured debt, net	2,990,033	2,946,560
Operating lease liabilities	88,218	—
Real estate taxes payable	27,205	20,608
Accrued interest payable	29,397	38,747
Security deposits and prepaid rent	36,332	35,060
Distributions payable	105,548	97,666
Accounts payable, accrued expenses, and other liabilities	65,334	76,343
Total liabilities	3,941,863	3,816,211
Commitments and contingencies (Note 13)		
Redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership	1,051,498	972,740
Equity:		
Preferred stock, no par value; 50,000,000 shares authorized:		
8.00% Series E Cumulative Convertible; 2,780,994 shares issued and outstanding at March 31, 2019 and December 31, 2018	46,200	46,200
Series F; 15,797,155 and 15,802,393 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	1	1
Common stock, $0.01 par value; 350,000,000 shares authorized: 281,791,932 and 275,545,900 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	2,818	2,755

Additional paid-in capital	5,184,195	4,920,732
Distributions in excess of net income	(2,281,262)	(2,063,996)
Accumulated other comprehensive income/(loss), net	(2,970)	(67)
Total stockholders' equity	2,948,982	2,905,625
Noncontrolling interests	13,382	17,152
Total equity	2,962,364	2,922,777
Total liabilities and equity	$ 7,955,725	$ 7,711,728

See accompanying notes to consolidated financial statements.

UDR, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended March 31, 2019	2018
REVENUES:		
Rental income	$ 267,922	$ 250,483
Joint venture management and other fees	2,751	2,822
Total revenues	270,673	253,305
OPERATING EXPENSES:		
Property operating and maintenance	41,939	40,587
Real estate taxes and insurance	36,300	33,282
Property management	7,703	6,888
Other operating expenses	5,646	2,009
Real estate depreciation and amortization	112,468	108,136
General and administrative	12,467	11,759
Casualty-related charges/(recoveries), net	—	940
Other depreciation and amortization	1,656	1,691
Total operating expenses	218,179	205,292
Gain/(loss) on sale of real estate owned	—	70,300
Operating income	52,494	118,313
Income/(loss) from unconsolidated entities	49	(1,677)
Interest expense	(33,542)	(29,943)
Interest income and other income/(expense), net	9,813	2,759
Income/(loss) before income taxes	28,814	89,452
Tax (provision)/benefit, net	(2,212)	(227)
Net income/(loss)	26,602	89,225
Net (income)/loss attributable to redeemable noncontrolling interests in the Operating Partnership and DownREIT Partnership	(2,057)	(7,390)
Net (income)/loss attributable to noncontrolling interests	(42)	(79)
Net income/(loss) attributable to UDR, Inc.	24,503	81,756
Distributions to preferred stockholders — Series E (Convertible)	(1,011)	(955)
Net income/(loss) attributable to common stockholders	$ 23,492	$ 80,801
Income/(loss) per weighted average common share:		
Basic	$ 0.08	$ 0.30
Diluted	$ 0.08	$ 0.30
Weighted average number of common shares outstanding:		
Basic	277,002	267,546
Diluted	277,557	269,208

See accompanying notes to consolidated financial statements.

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UDR, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

(In thousands)

(Unaudited)

	Three Months Ended March 31,	
	2019	2018
Net income/(loss)	$ 26,602	$ 89,225
Other comprehensive income/(loss), including portion attributable to noncontrolling interests:		
Other comprehensive income/(loss) - derivative instruments:		
Unrealized holding gain/(loss)	(2,210)	1,710
(Gain)/loss reclassified into earnings from other comprehensive income/(loss)	(945)	(172)
Other comprehensive income/(loss), including portion attributable to noncontrolling interests	(3,155)	1,538
Comprehensive income/(loss)	23,447	90,763
Comprehensive (income)/loss attributable to noncontrolling interests	(1,847)	(7,602)
Comprehensive income/(loss) attributable to UDR, Inc.	$ 21,600	$ 83,161

See accompanying notes to consolidated financial statements.

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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 December 31, 2018	$ 46,201	$ 2,755	$ 4,920,732	$ (2,063,996)	$ (67)	$ 17,152	$ 2,922,777
Net income/(loss) attributable to UDR, Inc.	—	—	—	24,503	—	—	24,503
Net income/(loss) attributable to noncontrolling interests	—	—	—	—	—	30	30
Contribution of noncontrolling interests in consolidated real estate	—	—	—	—	—	125	125
Long Term Incentive Plan Unit grants/(vestings), net	—	—	—	—	—	(3,925)	(3,925)
Other comprehensive income/(loss)	—	—	—	—	(2,903)	—	(2,903)
Issuance/(forfeiture) of common and restricted shares, net	—	—	(1,499)	—	—	—	(1,499)
Issuance of common shares through public offering, net	—	44	192,135	—	—	—	192,179
Adjustment for conversion of noncontrolling interest of unitholders in the	—	19	72,827	—	—	—	72,846

Operating Partnership and DownREIT Partnership Common stock distributions declared ($0.3425 per share)	—	—	—	(96,561)	—	—	(96,561)
Preferred stock distributions declared-Series E ($0.3708 per share)	—	—	—	(1,011)	—	—	(1,011)
Adjustment to reflect redemption value of redeemable noncontrolling interests	—	—	—	(144,197)	—	—	(144,197)
Balance at March 31, 2019	$ 46,201	$ 2,818	$ 5,184,195	$ (2,281,262)	$ (2,970)	$ 13,382	$ 2,962,364

	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, 2017	$ 46,201	$ 2,678	$ 4,651,205	$ (1,871,603)	$ (2,681)	$ 9,564	$ 2,835,364
Net income/(loss) attributable to UDR, Inc.	—	—	—	81,756	—	—	81,756
Net income/(loss) attributable to noncontrolling interests	—	—	—	—	—	70	70
Contribution of noncontrolling interests in consolidated real estate	—	—	—	—	—	108	108
Repurchase of common shares	—	(6)	(19,982)	—	—	—	(19,988)
Long Term Incentive Plan Unit grants/(vestings), net	—	—	—	—	—	(1,424)	(1,424)
Other comprehensive income/(loss)	—	—	—	—	1,405	—	1,405
	—	—	(4,148)	—	—	—	(4,148)

Issuance/(forfeiture) of common and restricted shares, net							
Adjustment for conversion of noncontrolling interest of unitholders in the Operating Partnership and DownREIT Partnership	—	4	11,691	—	—	—	11,695
Common stock distributions declared ($0.3225 per share)	—	—	—	(86,322)	—	—	(86,322)
Preferred stock distributions declared-Series E ($0.3492 per share)	—	—	—	(955)	—	—	(955)
Adjustment to reflect redemption value of redeemable noncontrolling interests	—	—	—	68,217	—	—	68,217
Balance at March 31, 2018	$ 46,201	$ 2,676	$ 4,638,766	$ (1,808,907)	$ (1,276)	$ 8,318	$ 2,885,778

See accompanying notes to consolidated financial statements.

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UDR, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands, except for share data)

(Unaudited)

	Three Months Ended March 31, 2019	2018
Operating Activities		
Net income/(loss)	$ 26,602	$ 89,225
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:		
Depreciation and amortization	114,124	109,827
(Gain)/loss on sale of real estate owned	—	(70,300)
(Income)/loss from unconsolidated entities	(49)	1,677
Return on investment in unconsolidated joint ventures	1,977	678
Amortization of share-based compensation	5,937	3,504
Other	3,910	1,745
Changes in operating assets and liabilities:		
(Increase)/decrease in operating assets	2,295	3,560
Increase/(decrease) in operating liabilities	(17,463)	(7,660)
Net cash provided by/(used in) operating activities	137,333	132,256
Investing Activities		
Acquisition of real estate assets	(403,245)	—
Proceeds from sales of real estate investments, net	—	89,433
Development of real estate assets	(6,237)	(63,718)
Capital expenditures and other major improvements — real estate assets	(31,264)	(14,765)
Capital expenditures — non-real estate assets	(3,346)	(433)
Investment in unconsolidated joint ventures	(21,389)	(19,736)
Distributions received from unconsolidated joint ventures	10,797	5,633
Purchase deposits on pending acquisitions	(10,350)	(1,000)
Repayment/(issuance) of notes receivable, net	5,285	(20,000)
Net cash provided by/(used in) investing activities	(459,749)	(24,586)
Financing Activities		
Payments on secured debt	(962)	(1,172)
Payments on unsecured debt	—	(25,000)
Net proceeds/(repayment) of commercial paper	(11,115)	—
Net proceeds/(repayment) of revolving bank debt	54,294	35,940
Proceeds from the issuance of common shares through public offering, net	192,179	—
Repurchase of common shares	—	(19,988)
Distributions paid to redeemable noncontrolling interests	(8,553)	(7,990)
Distributions paid to preferred stockholders	(959)	(915)
Distributions paid to common stockholders	(88,911)	(83,051)

Other	1,706	(6,471)
Net cash provided by/(used in) financing activities	137,679	(108,647)
Net increase/(decrease) in cash, cash equivalents, and restricted cash	(184,737)	(977)
Cash, cash equivalents, and restricted cash, beginning of year	208,891	21,830
Cash, cash equivalents, and restricted cash, end of period	$ 24,154	$ 20,853
Supplemental Information:		
Interest paid during the period, net of amounts capitalized	$ 44,271	$ 35,155
Cash paid/(refunds received) for income taxes	241	(22)
Non-cash transactions:		
Transfer of investment in and advances to unconsolidated joint ventures to real estate owned	$ 40,433	$ —
Recognition of operating lease right-of-use assets	94,349	—
Recognition of operating lease liabilities	88,336	—
Vesting of LTIP Units	14,335	4,397
Development costs and capital expenditures incurred but not yet paid	10,745	39,749
Conversion of Operating Partnership and DownREIT Partnership noncontrolling interests to common stock (1,838,133 shares in 2019 and 303,498 shares in 2018)	72,846	11,695
Dividends declared but not yet paid	105,548	95,122
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	$ 185,216	$ 2,038
Restricted cash	23,675	19,792
Total cash, cash equivalents, and restricted cash as shown above	$ 208,891	$ 21,830
Cash, cash equivalents, and restricted cash, end of period:		
Cash and cash equivalents	$ 1,043	$ 1,083
Restricted cash	23,111	19,770
Total cash, cash equivalents, and restricted cash as shown above	$ 24,154	$ 20,853

See accompanying notes to consolidated financial statements.

UDR, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

1. BASIS OF PRESENTATION

Basis of Presentation

UDR, Inc., collectively with our consolidated subsidiaries ("UDR," the "Company," "we," "our," or "us"), is a self-administere real estate investment trust, or REIT, that owns, operates, acquires, renovates, develops, redevelops, and manages apartment communities. 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 March 31, 2019, there were 184,053,122 units in the Operating Partnership ("OP Units") outstanding, of which 176,057,247 OP Units, or 95.7%, were owned by UDR and 7,995,875 OP Units, or 4.3%, were owned by outside limited partners. As of March 31, 2019, there were 32,367,380 units in the DownREIT Partnership ("DownREIT Units") outstanding, of which 17,233,074, or 53.2%, were owned by UDR (including 13,470,651 DownREIT Units, or 41.6%, that were held by the Operating Partnership) and 15,134,306, or 46.8%, 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. 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 March 31, 2019, and results of operations for the three months ended March 31, 2019 and 2018, 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, 2018 appearing in UDR's Annual Report on Form 10 K, filed with the Securities and Exchange Commission on February 19, 2019.

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 other than those noted in Note 3, Real Estate Owned, Note 5, Joint Ventures and Partnerships and Note 13, Commitments and Contingencies.

2. SIGNIFICANT ACCOUNTING POLICIES

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016 13, Financial Instruments-Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments. The standard requires entities to estimate a lifetime expected credit loss for most financial assets, including trade and other receivables, held-to-maturity debt securities, loans and other financial instruments, and to present the net amount of the financial instrument expected to be collected. The updated standard will be effective for the Company on January 1, 2020. In November 2018, the FASB issued ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, which amends the transition requirements and scope of ASU 2016-13 and clarifies that receivables arising from operating leases are not within the scope of the credit losses standard, but rather, should be accounted for in accordance with the leases standard. The Company is currently evaluating the effect that the updated standard will have on the consolidated financial statements and related disclosures.

UDR, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

MARCH 31, 2019

In February 2016, the FASB issued ASU 2016-02, Leases. The standard amends the existing lease accounting guidance and requires lessees to recognize a lease liability and a right-of-use asset for all leases on their balance sheets. Lessees of operating leases will continue to recognize lease expense in a manner similar to current accounting. For lessors, accounting for leases under the new guidance is substantially the same as in prior periods, but eliminates current real estate-specific provisions and changes the treatment of initial direct costs. The standard became effective for the Company on January 1, 2019.

The Company elected the following package of practical expedients provided by the standard: (i) an entity need not reassess whether any expired or existing contract is a lease or contains a lease, (ii) an entity need not reassess the lease classification of any expired or existing leases, and (iii) an entity need not reassess initial direct costs for any existing leases. The Company also elected the short-term lease exception provided for in the standard and therefore will only recognize right-of-use assets and lease liabilities for leases with a term greater than one year.

The Company recognized right-of-use assets of $94.3 million and lease liabilities of $88.3 million as of January 1, 2019 upon adoption of the standard. The right-of-use assets included $6.0 million of prepaid rent and intangible assets that was included within Other assets on our Consolidated Balance Sheets as of December 31, 2018.

The lease liabilities represent the present value of the remaining minimum lease payments as of January 1, 2019 related to ground leases for communities where we are the lessee. The right-of-use assets represent our right to use an underlying asset for the lease term, which are calculated utilizing the lease liabilities plus any prepaid lease payments and intangible assets for ground leases acquired in the purchase of real estate. Our right-of-use assets and related lease liabilities recognized as of January 1, 2019 may change as a result of updates to the projected future minimum lease payments. Certain of our ground lease agreements where we are the lessee have future minimum lease payments that reset in the future based upon a percentage of the fair market value of the land at the time of the reset. One of these resets is in process as of March 31, 2019 and is estimated to increase our right-of-use assets and lease liabilities up to a maximum of $146.7 million and $140.7 million, respectively, during the remainder of 2019. The Company will continue to recognize lease expense for these leases in a manner similar to previous accounting based on our election of the package of practical expedients. However, in the event we modify existing ground leases and/or enter into new ground leases subsequent to the adoption of the standard, such leases would likely be classified as finance leases under the standard and require expense recognition based on the effective interest method. Under the standard, initial direct costs for both lessees and lessors would include only those costs that are incremental to the arrangement and would not have been incurred if the lease had not been obtained. As a result, subsequent to the adoption of the standard, we are now expensing non-incremental leasing costs as incurred.

In July 2018, the FASB issued ASU 2018-11, Leases – Targeted Improvements, which provides entities with relief from the costs of implementing certain aspects of ASU 2016-02, Leases. The ASU provides a practical expedient which allows lessors to not separate lease and non-lease components in a contract and allocate the consideration in the contract to the separate components if both: (i) the timing and pattern of revenue recognition for the non-lease component and the related lease component are the same and (ii) the combined single lease component would be classified as an operating lease. The Company elected the practical expedient to account for lease and non-lease components as a single component in lease contracts where we are the lessor. The ASU also provides a transition option that permits entities to not recast the comparative periods presented when transitioning to the standard, which the Company also elected.

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.

UDR, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

MARCH 31, 2019

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 transferred to the counterparty, 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.

Notes Receivable

The following table summarizes our Notes receivable, net as of March 31, 2019 and December 31, 2018 (dollars in thousands):

	Interest rate at March 31, 2019		Balance Outstanding March 31, 2019	Balance Outstanding December 31, 2018
Note due December 2019 (a)	12.00	%	$ 20,000	$ 20,000
Note due February 2020 (b)	10.00	%	14,974	14,659
Note due October 2020 (c)	8.00	%	2,000	2,000

Note due August 2022 (d)	10.00	%	—	5,600
Total notes receivable, net			$ 36,974	$ 42,259

(a) In March 2018, the Company entered into a secured note with an unaffiliated third party with an aggregate commitment of $20.0 million, of which $20.0 million has been funded. Interest payments are due when the loan matures. In March 2019, the note's maturity was extended to December 27, 2019, and the note is secured by a parcel of land.

(b) The Company has a secured note with an unaffiliated third party with an aggregate commitment of $16.4 million, of which $15.0 million has been funded, including $0.3 million during the three months ended March 31, 2019. Interest payments are due monthly. The note 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) the eighth anniversary of the date of the note (February 2020).

(c) The Company has a secured note with an unaffiliated third party with an aggregate commitment of $2.0 million, of which $2.0 million has been funded. Interest payments are due when the loan matures. The note matures at the earliest of the following: (a) the closing of any private or public capital raising in the amount of $10.0 million or greater; (b) an acquisition; (c) acceleration in the event of default; or (d) the fifth anniversary of the date of the note (October 2020).

(d) In January 2019, the $5.6 million secured note was repaid in full along with the contractually accrued interest of $0.2 million and an additional $8.5 million of promoted interest in conjunction with the unaffiliated third party being acquired.

The Company recognized $1.1 million and $0.6 million of interest income and $8.5 million and zero of promoted interest from notes receivable during the three months ended March 31, 2019 and 2018, respectively, none of which was related party interest. Interest income and promoted interest are 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 months ended March 31, 2019 and 2018, 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 March 31, 2019 and 2018, was $(0.3) million and $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 are generally the result of differing depreciable lives on capitalized assets and timing of expense recognition for certain accrued liabilities. As of March 31, 2019 and December 31, 2018, UDR's net deferred tax asset/(liability) was less than $(0.1) million and less than $(0.1) million, respectively.

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 its tax positions and evaluates them 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.

UDR had no material unrecognized tax benefit, accrued interest or penalties at March 31, 2019. UDR and its subsidiaries are subject to federal income tax as well as income tax of various state and local jurisdictions. The tax years 2015 through 2018 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.

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MARCH 31, 2019

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 March 31, 2019, the Company owned and consolidated 131 communities in 11 states plus the District of Columbia totaling 41,041 apartment homes. The following table summarizes the carrying amounts for our real estate owned (at cost) as of March 31, 2019 and December 31, 2018 (dollars in thousands):

	March 31, 2019	December 31, 2018
Land	$ 1,954,363	$ 1,849,799
Depreciable property — held and used:		
Land improvements	214,483	213,224
Building, improvements, and furniture, fixtures and equipment	8,475,755	8,133,136
Real estate intangible assets	35,954	—
Real estate owned	10,680,555	10,196,159
Accumulated depreciation	(3,764,099)	(3,654,160)
Real estate owned, net	$ 6,916,456	$ 6,541,999

Acquisitions

In January 2019, the Company exercised its fixed-price option to purchase its joint venture partner’s ownership interest in a 386 apartment home operating community in Anaheim, California, thereby increasing its ownership interest from 49% to 100%, for a cash purchase price of approximately $33.5 million. In connection with the acquisition, the Company repaid approximately $59.8 million of joint venture construction financing. As a result, in January 2019, the Company consolidated the operating community. The Company had previously accounted for its 49% ownership interest as a preferred equity investment in an unconsolidated joint venture (see Note 5, Joint Ventures and Partnerships). The Company accounted for the consolidation as an asset acquisition resulting in no gain or loss upon consolidation and increased its real estate assets owned by approximately $115.7 million and recorded approximately $2.4 million of in-place lease intangibles.

In January 2019, the Company exercised its fixed-price option to purchase its joint venture partner’s ownership interest in a 155 apartment home operating community located in Seattle, Washington, thereby increasing its ownership interest from 49% to 100%, for a cash purchase price of approximately $20.0 million. In connection with the acquisition, the Company repaid approximately $26.0 million of joint venture construction financing. As a result, in January 2019, the Company consolidated the operating community. The Company had previously accounted for its 49% ownership interest as a preferred equity investment in an unconsolidated joint venture (see Note 5, Joint Ventures and Partnerships). The Company accounted for the consolidation as an asset acquisition resulting in no gain or loss upon consolidation and increased its real estate assets owned by approximately $58.1 million and recorded approximately $2.4 million of real estate intangibles and approximately $0.6 million of in-place lease intangibles.

In January 2019, the Company acquired a to-be-developed parcel of land located in Washington D.C. for approximately $27.1 million.

In February 2019, the Company acquired a to-be-developed parcel of land located in Denver, Colorado for approximately $13.7 million.

In February 2019, the Company acquired a 188 apartment home operating community located in Brooklyn, New York for approximately $132.1 million. The Company increased its real estate assets owned by approximately $97.5 million and recorded approximately $33.6 million of real estate intangibles and approximately $1.0 million of in-place lease intangibles.

In February 2019, the Company acquired a 381 apartment home operating community located in St. Petersburg, Florida for approximately $98.3 million. The Company increased its real estate assets owned by approximately $96.0 million and recorded approximately $2.3 million of in-place lease intangibles.

In April 2019, the Company acquired a 498 apartment home operating community located in Towson, Maryland for approximately $86.4 million.

Dispositions

The Company did not have any dispositions during the three months ended March 31, 2019.

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 March 31, 2019 and 2018, were $3.3 million and $3.4 million, respectively. Total interest capitalized was $1.1 million and $4.6 million for the three months ended March 31, 2019 and 2018, respectively. As each 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.

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 that 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.

See the consolidated financial statements of the Operating Partnership presented within this Report and Note 4, Unconsolidated Entities, to the Operating Partnership's consolidated financial statements for the results of operations of the DownREIT Partnership.

5. JOINT VENTURES AND PARTNERSHIPS

UDR has entered into joint ventures and partnerships with unrelated third parties to acquire 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

UDR, INC.

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MARCH 31, 2019

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 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.

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 to 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 March 31, 2019 and December 31, 2018 (dollars in thousands):

Joint Venture	Location of Properties	Number of Properties March 31, 2019		Number of Apartment Homes March 31, 2019	Investment at March 31, 2019	Investment at December 31, 2018	UDR's Ownership Interest March 31, 2019		UDR's Ownership Interest December 31, 2018	
Operating and development:										
UDR/MetLife I	Los Angeles, CA	1	operating community	150	$ 30,817	$ 30,839	50.0	%	50.0	%
UDR/MetLife II	Various	18	operating communities	4,059	303,893	296,807	50.0	%	50.0	%
Other UDR/MetLife Joint Ventures	Various	5	operating communities	1,437	111,377	115,668	50.6	%	50.6	%
UDR/MetLife Vitruvian Park®	Addison, TX	4 1 4	operating communities; development community (a); land parcels	1,879	73,199	71,730	50.0	%	50.0	%
UDR/KFH	Washington, D.C.	3	operating communities	660	4,357	5,507	30.0	%	30.0	%
West Coast Development Joint Ventures (d)	Los Angeles, CA	1	operating community	293	35,994	36,143	47.0	%	47.0	%
					$ 559,637	$ 556,694				

Investment in and advances to unconsolidated joint ventures, net, before participating loan investment, preferred equity investments and other investments								

					Investment at		Income/(loss) from investmen[t] Three Months Ended	
			Years To	UDR	March 31,	December 31,	March 31,	
Developer Capital Program (b)	Location	Rate	Maturity	Commitment (c)	2019	2018	2019	2018
Preferred equity investments:								
West Coast Development Joint Ventures (d)	Various	6.5 %	N/A	$ —	$ 17,298	$ 65,417	$ (161)	$ 796
1532 Harrison (e)	San Francisco, CA	11.0 %	3.3	24,645	28,163	24,986	748	341
1200 Broadway (f)	Nashville, TN	8.0 %	3.5	55,558	60,185	58,982	1,169	408
Junction (g)	Santa Monica, CA	12.0 %	3.3	8,800	9,486	9,211	275	—
1300 Fairmount (h)	Philadelphia, PA	Variable	4.4	51,393	13,887	8,318	275	—
Essex (i)	Orlando, FL	12.5 %	4.4	12,886	11,824	9,940	332	—
Other investments:								
The Portals (j)	Washington, D.C.	11.0 %	2.2	38,559	44,340	43,167	1,173	679
Other investment ventures	N/A	N/A	N/A	$ 18,000	4,280	4,154	$ 125	$ (90)
Total Developer Capital Program					189,463	224,175		
Total investment in and advances to unconsolidated joint ventures, net					$ 749,100	$ 780,869		

(a) The number of apartment homes for the communities under development presented in the table above is based on the projected number of total homes upon completion of development. As of March 31, 2019, no apartment homes had been completed in the development community held by UDR/MetLife Vitruvian Park® .

(b) The Developer Capital Program is the program through which the Company makes investments, including preferred equity investments, mezzanine loans or other structured investments that may receive a fixed or variable 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 and/or holds fixed price purchase options.

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

(d) In 2015, the Company entered into a joint venture agreement with an unaffiliated joint venture partner and paid $136.3 million for a 48% ownership interest in a portfolio of five communities that were under construction. The communities are located in three of the Company’s core, coastal markets: Seattle, Washington, Los Angeles, California and Orange County, California. UDR earns a 6.5% preferred return on its investment through each individual community’s date of stabilization, defined as when a community reaches 80% occupancy for 90 consecutive days, while the joint venture partner is allocated all operating income and expense during the pre-

UDR, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

MARCH 31, 2019

stabilization period. Upon stabilization, income and expense are shared based on each partner's ownership percentage and the Company no longer receives a 6.5% preferred return on its investment in the stabilized community. The Company serves as property manager and earns a management fee during the lease-up phase and subsequent operation of each of the communities. The unaffiliated joint venture partner is the general partner of the joint venture and the developer of the communities. The Company has concluded it does not control the joint ventures and accounts for them under the equity method of accounting.
At inception of the agreement, the Company had a fixed-price option to acquire the remaining interest in each community commencing one year after completion. The unaffiliated joint venture partner is providing certain guaranties.

During 2017, the Company exercised its fixed-price option to purchase the joint venture partner's ownership interest in one of the five communities, and the joint venture sold two of the four remaining communities.

In January 2019, the Company exercised its fixed-price option to purchase its joint venture partner's ownership interest in one of the two remaining communities, a 386 apartment home operating community in Orange County, California, thereby increasing its ownership interest from 49% to 100%, for a cash purchase price of approximately $33.5 million. As a result, the Company consolidated the operating community and it is no longer accounted for as a preferred equity investment in an unconsolidated joint venture (see Note 3, Real Estate Owned). In connection with the purchase, the construction loan on the community was paid in full.

The Company and its joint venture partner plan to continue operating the one remaining community.

In 2017, the Company entered into two additional joint venture agreements with the unaffiliated joint venture partner and paid $15.5 million for a 49% ownership interest in a 155 apartment home community in Seattle, Washington and $16.1 million for a 49% ownership interest in a 276 apartment home community in Hillsboro, Oregon (together with the 2015 joint venture described above, the "West Coast Development Joint Ventures"). UDR earns a 6.5% preferred return on its investments through the communities' date of stabilization, as defined above, while our joint venture partner is allocated all operating income and expense during the pre-stabilization period. Upon stabilization of the communities, income and expense will be shared based on each partner's ownership percentage and the Company will no longer receive a 6.5% preferred return on its investment. The Company will serve as property manager and will earn a management fee during the lease-up phase and subsequent operation of the stabilized communities. The unaffiliated joint venture partner is the general partner and the developer of the communities. The Company has concluded it does not control the joint ventures and accounts for them under the equity method of accounting.

The Company has a fixed-price option to acquire the remaining interest in the communities beginning one year after completion. The unaffiliated joint venture partner is providing certain guaranties and there are construction loans on the communities.

In January 2019, the Company exercised its fixed-price option to purchase its joint venture partner's ownership interest in the 155 apartment home operating community in Seattle, Washington, thereby increasing its ownership interest from 49% to 100%, for a cash purchase price of approximately $20.0 million. As a result, the Company consolidated the operating community and it is no longer accounted for as a preferred equity investment in an unconsolidated joint venture (see Note 3, Real Estate Owned). In connection with the purchase, the construction loan on the community was paid in full.

The Company's recorded equity investment in the West Coast Development Joint Ventures at March 31, 2019 and December 31, 2018, of $53.3 million and $101.6 million, respectively, is inclusive of outside basis costs and our accrued but unpaid preferred return.

(e) In June 2017, the Company entered into a joint venture agreement with an unaffiliated joint venture partner to develop and operate a 136 apartment home community in San Francisco, California. The Company's preferred equity investment of up to $24.6 million earns a preferred return of 11.0% per annum. The unaffiliated joint venture partner is the managing member of the joint venture and the developer of the community. The Company has concluded that it does not control the joint venture and accounts for it under the equity method of accounting.

(f) In September 2017, the Company entered into a joint venture agreement with an unaffiliated joint venture partner to develop and operate a 313 apartment home community in Nashville, Tennessee. The Company's preferred equity investment of up to $55.6 million earns a preferred return of 8.0% per annum and receives a variable percentage of the value created from the project upon a capital or liquidating event. The unaffiliated joint venture partner is the managing member of the joint venture and the developer of the community. The Company has concluded that it does not control the joint venture and accounts for it under the equity method of accounting.

(g) In August 2018, the Company entered into a joint venture agreement with an unaffiliated joint venture partner to develop and operate a 66 apartment home community in Santa Monica, CA. The Company's preferred equity investment of $8.8 million earns a preferred return of 12.0% per annum. The unaffiliated joint venture partner is the managing member of the joint venture and the developer of the community. The Company has concluded that it does not control the joint venture and accounts for it under the equity method of accounting.

(h) In August 2018, the Company entered into a joint venture agreement with an unaffiliated joint venture partner to develop and operate a 471 apartment home community in Philadelphia, PA. The Company's preferred equity investment of up to $51.4 million earns a preferred return between 8.5% and 12.0% per annum and receives a variable percentage of the value created from the project upon a capital or liquidating event. The unaffiliated joint venture partner is the managing member of the joint venture and the developer of the community. The Company has concluded that it does not control the joint venture and accounts for it under the equity method of accounting.

(i) In September 2018, the Company entered into a joint venture agreement with an unaffiliated joint venture partner to develop and operate a 330 apartment home community in Orlando, FL. The Company's preferred equity investment of up to $12.9 million earns a preferred return of 12.5% per annum. The unaffiliated joint venture partner is the managing member of the joint venture and the developer of the community. The Company has concluded that it does not control the joint venture and accounts for it under the equity method of accounting.

(j) In May 2017, the Company entered into a joint venture agreement with an unaffiliated joint venture partner. The joint venture has made a mezzanine loan to a third party developer of a 373 apartment home community in Washington, D.C. The unaffiliated joint venture partner is the managing member of the joint venture. The mezzanine loan is for up to $71.0 million at an interest rate of 13.5% per annum and carries a term of four years with one 12-month extension option. The Company's commitment to the joint venture is approximately $38.6 million and earns a weighted average return of approximately 11.0% per annum. The Company has concluded that it does not control the joint venture and accounts for it under the equity method of accounting.

In April 2019, the Company entered into a joint venture agreement with an unaffiliated joint venture partner to develop and operate a 173 apartment home community in Oakland, California. The Company's preferred equity investment of up to $27.3 million earns a preferred return of 9.0% per annum and receives a variable percentage of the value created from the project upon a capital or liquidating event. The unaffiliated joint venture partner is the managing member of the joint venture and the developer of the community. The Company has concluded that it does not control the joint venture and accounts for it under the equity method of accounting.

As of March 31, 2019 and December 31, 2018, the Company had deferred fees of $10.8 million and $11.0 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 $2.8 million and $2.7 million for the three months ended March 31, 2019 and 2018, 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 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 three months ended March 31, 2019 and 2018.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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Combined summary balance sheets relating to the unconsolidated joint ventures and partnerships (not just our proportionate share) are presented below as of March 31, 2019 and December 31, 2018 (dollars in thousands):

	March 31, 2019	December 31, 2018
Total real estate, net	$ 3,193,477	$ 3,311,034
Cash and cash equivalents	44,714	49,867
Other assets	127,789	