

UDR, Inc.  
Form 424B3  
October 01, 2008

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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.

**Filed Pursuant to Rule 424(b)(3)**  
**Registration File no. 333-131278**

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$0.01 per share	6,612,500(1)	\$24.075(2)	\$159,195,937.50	\$6,256.40(3)

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
- (2) Calculated pursuant to Rule 457(c) under the Securities Act of 1933, as amended.
- (3) In accordance with Rules 456(b) and 457(r), the Registrant initially deferred payment of all of the registration fee for Registration Statement No. 333-131278 filed by the Registrant on January 25, 2006, except for \$111,860 that had already been paid with respect to \$882,877,580 aggregate initial offering price of securities that were previously registered pursuant to Registration Statement No. 333-115696, filed by the Registrant on May 20, 2004, and were not sold thereunder. In accordance with Rule 457(p) under the Securities Act of 1933, \$6,256.40 of the \$111,860 unused amount of the registration fee paid with respect to Registration Statement No. 333-115696 is applied to pay the registration fee payable under this preliminary prospectus supplement, calculated in accordance with Rule 457(r), with respect to Registration Statement No. 333-131278. The Registrant previously applied \$13,375 of the \$111,860 unused registration fee to pay the registration fee in connection with the filing of the Registrant's pricing supplement dated June 2, 2006, filed with the SEC on June 6, 2006, \$26,750 of the unused registration fee to pay the registration fee in connection with the filing of the Registrant's prospectus supplement dated June 14, 2006 and filed with the SEC on June 14, 2006, \$1,675 of the unused registration fee to pay the registration fee in connection with the filing of the Registrant's prospectus supplement dated February 16, 2007 and filed with the SEC on February 16, 2007, \$6,140 of the unused registration fee to pay the registration fee in connection with the filing of the Registrant's preliminary pricing supplement dated March 20, 2007 and filed with the SEC on March 20, 2007, \$5,296 of the unused registration fee to pay the registration fee in connection with the filing of the Registrant's prospectus supplement dated May 22, 2007 and filed with the SEC on May 22, 2007, resulting in an unused registration fee in the amount of \$58,624 prior to the filing of this prospectus supplement.

**Subject to Completion**  
**Preliminary Prospectus Supplement dated October 1, 2008**

**PROSPECTUS SUPPLEMENT**  
**(To prospectus dated January 25, 2006)**

**5,750,000 Shares**

**Common Stock**

We are offering 5,750,000 shares of our common stock, par value \$0.01 per share. Our common stock is listed on the New York Stock Exchange, or NYSE, under the symbol UDR. On September 30, 2008, the last sale price of the shares as reported 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-3 of this prospectus supplement, page 3 of the accompanying prospectus, and the risks set forth under the caption Item 1A. Risk Factors included in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q.**

	<b>Per Share</b>	<b>Total</b>
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to UDR	\$	\$

The underwriters may also purchase up to an additional 862,500 shares from UDR at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover over allotments, if any.

**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 shares will be ready for delivery on or about October , 2008.

**Merrill Lynch & Co.**

**Citi**

**Morgan Stanley**

The date of this prospectus supplement is October , 2008

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

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 and the accompanying prospectus. Neither we nor any underwriter has 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 and 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 and the accompanying prospectus to UDR, United Dominion Realty Trust, Inc., United Dominion, we, us, our or the company are to UDR, Inc.**

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**CAUTIONARY STATEMENT REGARDING  
FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the documents we incorporate by reference contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, or the Exchange Act, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements, by their nature, involve estimates, projections, goals, forecasts, assumptions, risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in a forward-looking statement. 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. Examples of forward-looking statements also include statements regarding our expectations, beliefs, plans, goals, objectives and future financial or other performance. Words such as expects, anticipates, intends, plans, believes, seeks, estimates and variations of such words and similar expressions are intended to identify such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. Except to fulfill our obligations under the United States securities laws, we undertake no obligation to update any such statement to reflect events or circumstances after the date on which it is made.

Examples of factors that can affect our expectations, beliefs, plans, goals, objectives and future financial or other performance include, but are not limited to, the following:

- unfavorable changes in apartment market and economic conditions that could adversely affect occupancy levels, rental rates or our condominium activities;
- increasingly difficult credit markets and the unavailability of financing;
- our inability to access the capital markets due to further volatility and uncertainty in the financial markets;
- the failure of acquisitions to achieve anticipated results;
- possible difficulty in selling apartment communities;
- the timing and closing of planned dispositions under agreement;
- 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;

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;

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;

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the imposition of federal taxes if we fail to qualify as a REIT under the Internal Revenue Code of 1986, or 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.

All of the above factors are difficult to predict, contain uncertainties that may materially affect actual results, and may be beyond our control. New factors emerge from time to time, and it is not possible for our management to predict all of such factors or to assess the effect of each such factor on our business.

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

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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" on page S-3 of this prospectus supplement and page 3 of the accompanying prospectus, and the risks set forth under the caption "Item 1A. Risk Factors" included in our most recent Annual Report on Form 10-K and Quarterly Report 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**

UDR, Inc. is a self administered REIT that owns, acquires, renovates, develops, and manages apartment communities nationwide. As of June 30, 2008, our apartment portfolio included 156 communities in 10 states (plus the District of Columbia) with 43,045 apartment homes.

We have elected to be taxed as a REIT under the Internal Revenue Code. To continue to qualify as a REIT, 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 annually. As a qualified REIT, we generally will not be subject to U.S. federal income taxes at the corporate level on our net income to the extent we distribute such net income to our stockholders annually. In 2007, we declared total distributions of \$1.32 per common share to our stockholders, which represents our 31st year of consecutive dividend increases to our stockholders. Year to date, we declared total distributions of \$0.66 per common share to our stockholders.

We were formed in 1972 as a Virginia corporation. In June 2003, we changed our state of incorporation from Virginia to Maryland. We changed our corporate name from United Dominion Realty Trust, Inc. to UDR, Inc. on March 14, 2007. Our corporate offices are located at 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado.

Our subsidiaries include two operating partnerships, Heritage Communities L.P., a Delaware limited partnership, and United Dominion Realty L.P., a Delaware limited partnership, and RE<sup>3</sup>, our subsidiary that focuses on development, land entitlement and short-term hold investments.

**Recent Developments**

We previously announced our intention to declare a special dividend to the holders of our common stock in either cash or a combination of cash and additional shares of common stock. We currently anticipate that this special dividend will be in the range of \$130 million to \$190 million and will be payable in a combination of cash and additional shares of common stock. The special dividend is expected to be paid no later than January 31, 2009, and may be paid in lieu of (or in combination with) our regular quarterly cash dividend for the fourth quarter of 2008. The special dividend is subject to approval by our board of directors at their sole discretion. If the special dividend is declared, holders of shares of common stock sold in this offering will be eligible to receive payment of the special dividend assuming such holders are holders of such shares on the record date to be established for the payment of the special dividend.

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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 common stock, see **Description of the Common Stock** beginning on page 20 of the accompanying prospectus.

Common Stock Offered	5,750,000 shares
NYSE Symbol	UDR
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 over-allotment option in full, in each case after deducting underwriting discounts and estimated offering expenses. We intend to use the net proceeds from this offering for the repayment of \$116.1 million outstanding under our \$600 million revolving credit facility, and the remainder for working capital and other general corporate purposes. See <b>Use of Proceeds</b> .
Risk Factors	You should read carefully the risks set forth under the caption <b>Risk Factors</b> on page S-3 of this prospectus supplement and page 3 of the accompanying prospectus, and the risks set forth under the caption <b>Item 1A. Risk Factors</b> included in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q for certain considerations relevant to an investment in our common stock.

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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 risk factors under the caption "Risk Factors" on page 3 of the accompanying prospectus, and the risks set forth under the caption "Item 1A. Risk Factors" included in our most recent Annual Report on Form 10-K and Quarterly Report 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.

**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 overallotment option in full, in each case after deducting underwriting discounts and estimated offering expenses. We intend to use the net proceeds from this offering for the repayment of \$116.1 million outstanding under our \$600 million revolving credit facility, and the remainder for working capital and other general corporate purposes. Borrowings under the revolving credit facility, which expires on July 26, 2012, were \$116.1 million as of September 30, 2008 and were used for general corporate purposes, and currently accrue interest at a rate of LIBOR plus 0.475%.

An affiliate of one of the underwriters of this offering, Citigroup Global Markets Inc., is a lender under our \$600 million revolving credit facility, and will receive their pro rata portion of the proceeds from this offering used to repay amounts outstanding under our \$600 million revolving credit facility.

**DESCRIPTION OF COMMON STOCK**

A summary of some of the important terms of our common stock is set forth on page 20 in the accompanying prospectus under the heading "Description of Common Stock." You should review the applicable Maryland law as well as our amended and restated charter and amended and restated bylaws for a more complete description of our common stock. As of August 1, 2008, there were 128,031,119 shares of our common stock issued and outstanding. Our common stock is traded on the NYSE under the symbol "UDR."

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**ADDITIONAL MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS  
RECENT DEVELOPMENTS**

The following summary of certain Federal income tax consequences is for general information only and is not tax advice. This summary supplements the discussion set forth in the accompanying prospectus under the heading **Material U.S. Federal Income Tax Considerations**. This summary, as well as the discussion in the Prospectus under the heading **Material U.S. Federal Income Tax Considerations**, is for general information only, and does not purport to discuss all aspects of federal income taxation that may be important to a particular investor in light of its investment or tax circumstances, or to investors subject to special tax rules, such as:

financial institutions;

insurance companies;

broker-dealers;

regulated investment companies;

partnerships and trusts;

persons who hold our stock on behalf of another person as nominee;

persons who receive our stock through the exercise of employee stock options or otherwise as compensation;

persons holding our stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment;

and, except to the extent discussed below:

tax-exempt organizations; and

foreign investors.

This summary, as well as the discussion in the Prospectus under the heading **Material U.S. Federal Income Tax Considerations**, assumes that investors will hold their common stock as a capital asset, which generally means as property held for investment.

THE FEDERAL INCOME TAX TREATMENT OF HOLDERS OF OUR COMMON STOCK DEPENDS IN SOME INSTANCES ON DETERMINATIONS OF FACT AND INTERPRETATIONS OF COMPLEX PROVISIONS OF FEDERAL INCOME TAX LAW FOR WHICH NO CLEAR PRECEDENT OR AUTHORITY MAY BE AVAILABLE. EACH PROSPECTIVE PURCHASER IS ADVISED TO CONSULT HIS OR HER TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES TO HIM, HER, OR IT OF THE PURCHASE, OWNERSHIP AND SALE OF COMMON STOCK AND OF THE COMPANY'S ELECTION TO BE TAXED AS A REAL ESTATE INVESTMENT TRUST, INCLUDING THE FEDERAL, STATE, LOCAL, FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF SUCH PURCHASE, OWNERSHIP, SALE AND ELECTION, AND OF POTENTIAL CHANGES IN APPLICABLE TAX LAWS.

The law firm of Skadden, Arps, Slate, Meagher & Flom LLP has acted as our tax counsel in connection with this offering of our common stock. We have received in connection with this offering an opinion of Skadden, Arps, Slate, Meagher & Flom LLP to the effect that we are organized in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code, and that our actual method of operation through the date of this prospectus supplement has enabled, and our proposed method of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT. It must be emphasized that the opinion of Skadden, Arps, Slate, Meagher & Flom LLP will be based on various assumptions relating to our organization and operation and will be conditioned upon fact-based representations and covenants made by our management regarding our organization, assets, and income, and the present and future conduct of our business operations. While we intend to operate so that we continue to qualify as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given by Skadden, Arps, Slate, Meagher & Flom LLP or by us that we will qualify as a REIT for any particular year. We have asked Skadden, Arps, Slate, Meagher & Flom LLP to assume for purposes of its opinion that any prior legal opinions we received to the effect that we were taxable as a REIT, including the opinion referenced

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in the accompanying prospectus under the heading "Material U.S. Federal Income Tax Considerations," are correct. The opinion will be expressed as of the date issued and will not cover subsequent periods. Skadden, Arps, Slate, Meagher & Flom LLP will have no obligation to advise us or our stockholders of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law. You should be aware that an opinion of counsel is not binding on the IRS, and no assurance can be given that the IRS will not challenge the conclusions set forth in such an opinion.

### **The Housing and Economic Recovery Tax Act of 2008**

The Housing and Economic Recovery Tax Act of 2008 (the "2008 Act") was recently enacted into law. The 2008 Act's sections that affect the REIT provisions of the Code are generally effective for taxable years beginning after its date of enactment, and for us will generally mean that the new provisions apply from and after January 1, 2009, except as otherwise indicated below.

Among others, the 2008 Act made the following changes to, or clarifications of, the REIT provisions of the Code that could be relevant for us:

*Taxable REIT Subsidiaries.* The limit on the value of taxable REIT subsidiaries' securities held by a REIT has been increased from 20 percent to 25 percent of the total value of such REIT's assets. See "Material U.S. Federal Income Tax Considerations—Asset Tests" in the Prospectus.

*Foreign Currency as Cash.* Foreign currency that is the functional currency of a REIT or a qualified business unit of a REIT and is held for use in the normal course of business of such REIT or qualified business unit will be treated as cash for purposes of the 75% asset test. The foreign currency must not be derived from dealing, or engaging in substantial and regular trading in securities. See "Material U.S. Federal Income Tax Considerations—Asset Tests" in the Prospectus.

*Foreign Currency Gain.* Under the 2008 Act, real estate foreign exchange gain is not treated as gross income for purposes of the 75% and 95% gross income tests. Real estate foreign exchange gain includes gain derived from certain qualified business units of the REIT and foreign currency gain attributable to (i) qualifying income under the 75% gross income test, (ii) the acquisition or ownership of obligations secured by mortgages on real property or interests in real property, or (iii) being an obligor on an obligation secured by mortgages on real property or on interests in real property. In addition, passive foreign exchange gain is not treated as gross income for purposes of the 95% gross income test. Passive foreign exchange gain includes real estate foreign exchange gain and foreign currency gain attributable to (i) qualifying income under the 95% gross income test, (ii) the acquisition or ownership of obligations, or (iii) being the obligor on obligations and that, in the case of (ii) and (iii), does not fall within the scope of the real estate foreign exchange definition.

*Expanded Prohibited Transactions Safe Harbor.* The safe harbor from the prohibited transactions tax for certain sales of real estate assets is expanded by reducing the required minimum holding period from four years to two years, among other changes. See "Material U.S. Federal Income Tax Considerations—Prohibited Transaction Rules" in the Prospectus.

*Hedging Income.* Income from a hedging transaction entered into after July 30, 2008, that complies with identification procedures set out in Treasury regulations and hedges indebtedness incurred or to be incurred by us to acquire or carry real estate assets will not constitute gross income for purposes of both the 75% and 95% gross income tests. See "Material U.S. Federal Income Tax Considerations—Gross Income Tests—The 95% Test" in the Prospectus.

*Reclassification Authority.* The Secretary of the Treasury is given broad authority to determine whether particular items of gain or income recognized after July 30, 2008, qualify or not under the 75% and 95% gross income tests, or are to be excluded from the measure of gross income for such purposes. See Material U.S. Federal Income Tax Considerations Gross Income Tests in the Prospectus.

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We intend to offer the shares through the underwriters. Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated are acting as the representatives of the underwriters named below. Subject to the terms and conditions described in an underwriting agreement between us and the underwriters, we have agreed to sell to the underwriters, and the underwriters severally have agreed to purchase from us, the number of shares listed opposite their names below.

<b>Underwriter</b>	<b>Number of Shares</b>
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Citigroup Global Markets Inc.	
Morgan Stanley & Co. Incorporated	
Total	

The underwriters have agreed to purchase all of the shares sold under the underwriting agreement and the related pricing 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 of 1933, 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 officers' 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 underwriters have advised us that they propose initially to offer the shares to the public at the public offering price on the cover page of this prospectus supplement and to dealers at that price less a concession not to exceed \$ per share. The underwriters may allow, and the dealers may reallow, a discount not in excess of \$ per share to other dealers. After the initial public offering, the public offering price, concessions and discount 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 overallotment option.

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

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

**Overallotment Option**

We have granted an option to the underwriters to purchase up to 862,500 additional shares at the public offering price less the underwriting discount. The underwriters may exercise this option for 30 days from the date of this prospectus supplement solely to cover any over-allotments. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement and related pricing agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

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### **No Sales of Similar Securities**

We have agreed for a period of 60 days after the date of this prospectus supplement, with certain exceptions, not to (i) offer, pledge, sell, contract to sell, 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, 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 common 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 common stock or such other securities, in cash or otherwise, without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated.

Certain of our officers and our directors have agreed for a period of 60 days after the date of this prospectus supplement, with certain exceptions, not to sell, offer or contract 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 us or any affiliate of ours or any person in privity with us or any affiliate of ours), directly or indirectly, including the filing (or participation in the filing) or a registration statement with the Securities and Exchange Commission 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, as amended, and the rules and regulations of the Securities and Exchange Commission 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 Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated.

### **Price Stabilization, Short Positions**

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

If the underwriters create a short position in the common stock in connection with the offering, i.e., if they sell more shares than are listed on the cover of this prospectus supplement, the underwriters may reduce that short position by purchasing shares in the open market or by exercising their overallotment option. Purchases of the common stock to stabilize the price or to reduce a short position may cause the price of the common stock to be higher than it might be in the absence of such purchases.

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

### **Electronic Prospectus Delivery**

A prospectus supplement and accompanying prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters or selling group members, if any, participating in the offering. The representatives may agree to allocate a number of our common stock to underwriters for sale to their online brokerage account holders. The representatives will allocate our common stock to underwriters that may make Internet

distributions on the same basis as other allocations. Other than the

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prospectus supplement and the accompanying prospectus in electronic format, the information on any of these websites and any other information contained on a website maintained by an underwriter or selling group member is not part of this prospectus supplement or prospectus.

**Other Relationships**

Some of the underwriters or their affiliates have engaged in, and may in the future engage in, investment banking, commercial lending and other commercial dealings in the ordinary course of business with us. They have received customary fees and commissions for those transactions. An affiliate of one of the underwriters of this offering, Citigroup Global Markets Inc., is a lender under our \$600 million revolving credit facility, and will receive their pro rata portion of the proceeds from this offering used to repay amounts outstanding under our unsecured \$600 million credit facility.

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**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. Our filings with the SEC are available to the public on the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document that we file with the SEC at its public reference room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room and their copy charges.

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

**INCORPORATION OF INFORMATION FILED WITH THE SEC**

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 are incorporated by reference in this prospectus supplement and the accompanying prospectus (Commission File No. 1-10524), except for any document or portion thereof deemed to be furnished and not filed in accordance with SEC rules:

Annual Report on Form 10-K for the year ended December 31, 2007 (filed on February 26, 2008);

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008 (filed on May 12, 2008) and June 30, 2008 (filed on August 11, 2008);

Current Reports on Form 8-K dated January 23, 2008 (filed on January 29, 2008), January 29, 2008 (filed on January 30, 2008), February 21, 2008 (filed on March 14, 2008), February 22, 2008 (filed on February 27, 2008), March 3, 2008 (filed on March 7, 2008) as amended by Form 8-K/A filed on May 2, 2008, March 28, 2008 (filed on June 11, 2008), May 30, 2008 (filed on June 2, 2008), June 30, 2008 (filed on July 3, 2008), July 7, 2008 (filed on September 22, 2008), and September 4, 2008 (filed on September 5, 2008);

our definitive proxy statement dated April 15, 2008 (filed on April 15, 2008) and our definitive additional materials (filed on April 15, 2008), both in connection with our Annual Meeting of Stockholders held on May 30, 2008;

the description of our capital stock contained in our Registration Statement on Form 8-A/A dated and filed on November 7, 2005, and all amendments or reports filed with the SEC for the purpose of updating such description;

all documents filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than current reports furnished under Item 2.02 or 7.01 of Form 8-K) after the date of this prospectus supplement and prior to the termination of this offering.

## Edgar Filing: UDR, Inc. - Form 424B3

We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement and the accompanying prospectus are delivered, a copy of any of the documents referred to above by written or oral request. To receive a free copy of any of the documents incorporated by reference in this prospectus supplement and the accompanying prospectus (other than exhibits, unless they are specifically incorporated by reference in the documents), call or write to UDR, Inc., 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129, Attention: Investor Relations, telephone number (720) 283-6120. We also maintain a website that contains additional information about us (<http://www.udr.com>). Information on our website is not part of, or incorporated by reference into, this prospectus supplement or the accompanying prospectus.

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**LEGAL MATTERS**

Certain legal matters will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP, Los Angeles, California. The validity of the shares of common stock offered by this prospectus supplement will be passed upon for us by DLA Piper LLP (US), Baltimore, Maryland. Certain legal matters in connection with this offering will be passed upon for the underwriters by Sidley Austin LLP, New York, New York.

**EXPERTS**

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements and schedule included in our Annual Report on Form 10-K for the year ended December 31, 2007, and the effectiveness of our internal control over financial reporting as of December 31, 2007, as set forth in their reports, which are incorporated by reference in this prospectus supplement and elsewhere in the registration statement. Our financial statements and schedule and our management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2007, are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

The statement of revenues and certain expenses of One Island Square for the year ended December 31, 2007, incorporated by reference into this prospectus supplement have been audited by Ehrhardt Keefe Steiner & Hottman PC, an independent registered public accounting firm, as indicated in their reports with respect thereto, and are incorporated by reference into this prospectus supplement in reliance upon the authority of said firm as experts in accounting and auditing.



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**PROSPECTUS**

**Common Stock  
Preferred Stock  
Debt Securities  
Warrants  
Purchase Contracts  
Units**

We may from time to time offer and sell common stock, preferred stock, debt securities, warrants and purchase contracts, as well as units that include any of these securities. The debt securities, preferred stock, warrants and purchase contracts may be convertible into or exercisable or exchangeable for common or preferred stock or other securities of ours.

We will offer our securities in amounts, at prices and on terms to be determined at the time we offer those securities. We will provide the specific terms of the securities and the terms of the offering in supplements to this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest in our securities.

We may offer and sell these securities on a delayed or continuous to or through one or more agents, underwriters or dealers as designated from time to time, directly to one or more purchasers, through a combination of these methods or any other method as provided in the applicable prospectus supplement. In addition, this prospectus may be used to offer any of these securities for the account of persons other than us as provided in the applicable prospectus supplement. If any agents, dealers or underwriters are involved in the sale of any securities, the applicable prospectus supplement will set forth any applicable commissions or discounts.

Our common stock is traded on the New York Stock Exchange under the symbol UDR.

**Investing in our securities involves risks. Before buying our securities, you should refer to the risk factors included in our periodic reports, in prospectus supplements relating to specific offerings and in other information that we file with the Securities and Exchange Commission. See Risk Factors on page 3.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

January 25, 2006

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a shelf registration statement that we have filed on Form S-3 with the Securities and Exchange Commission, or SEC. By using a shelf registration statement, we may sell, at any time and from time to time, in one or more offerings, any combination of the securities described in this prospectus. The exhibits to our

registration statement contain the full text of certain contracts and other important documents we have summarized in this prospectus. Because these summaries may not contain all the information that you may find important in deciding whether to purchase the securities we offer, you should review the full text of these documents. The registration statement and the exhibits can be obtained from the SEC as indicated under the heading **Where You Can Find More Information**.

This prospectus only provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that contains specific information about the terms of those securities and the offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described below under the heading **Where You Can Find More Information**.