UDR, Inc. (UDR)

Updated July 27th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$39	**5 Year CAGR Estimate:**	10.3%	**Market Cap:**	$14 B
Fair Value Price:	$47	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date[1]:**	09/15/2026
% Fair Value:	84%	**5 Year Valuation Multiple Estimate:**	3.6%	**Dividend Payment Date[2]:**	09/30/2026
Dividend Yield:	4.4%	**5 Year Price Target:**	$54	**Years of Dividend Growth:**	15
Dividend Risk Score:	D	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

UDR, Inc., also known as United Dominion Realty Trust, is a luxury apartment REIT. The trust owns, operates, acquires, renovates, and develops multifamily apartment communities in high barrier-to-entry markets in the US. A high barrier-to-entry market consists of limited land for new construction, complicated entitlement processes, low single-family home affordability and strong employment growth potential. The majority of UDR's real estate property value is established in Washington D.C., New York City, Orange County, California, and San Francisco. UDR was formed in 1972 as a Virginia corporation, and today is headquartered in Denver, Colorado. The trust employs approximately 1,423 full-time associates. As of June 30th, 2026, UDR owned or had an ownership interest in 60,259 apartment homes.

On February 9th, 2026, UDR announced its 2026 dividend will be $1.74 per share, which represents a 1.2% increase and marks the company's 15th consecutive annual dividend increase.

In April 2026, UDR announced it would begin paying monthly dividends in the amount of $0.145 per share, consistent with its previous $0.435 quarterly dividend. This could make the stock more appealing to certain investors.

UDR reported second quarter 2026 results on July 27th, 2026. The company's adjusted funds from operations was flat year-over-year at $0.64 per share. The quarterly AFFO payout ratio of 68% is secure for a REIT that must pay out the majority of its earnings to shareholders. Physical occupancy of the real estate portfolio declined 20 basis points compared to the prior year period to 96.6%.

The company repurchased 5.5M shares of its stock for roughly $200 million since the end of Q1. Since it began repurchasing shares in September 2025, UDR has repurchased 11.5M shares for $418 million.

UDR increased its guidance for 2026, forecasting AFFO per share of $2.49 to $2.57, for a midpoint of $2.53. The company also anticipates 0.75% to 2.00% growth in same-store revenue, 2.75% to 3.75% growth in same-store expenses, and 0.00% to 1.25% growth of same-store net operating income over 2025.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AFFO	$1.63	$1.72	$1.80	$1.92	$1.86	$1.82	$2.11	$2.21	$2.19	$2.22	***$2.53***	***$2.93***
DPS	$1.16	$1.23	$1.28	$1.35	$1.42	$1.45	$1.52	$1.64	$1.70	$1.72	***$1.74***	***$2.12***
Shares[3]	267.3	268.8	269.5	286.0	294.9	301.7	322.7	328.8	331.2	332.6	***330.0***	***365.0***

UDR has grown adjusted funds from operations steadily in the last five and nine years, at 3.6% and 3.5%, respectively. AFFO fell 3% during the pandemic, but resumed growth in 2022. Beyond 2025, we believe UDR can grow its AFFO per share by 3.0% to reach $2.93 in 2031. As is evident by the ballooning share count, UDR's strategy focuses on raising capital by issuing equity and we see this continuing into the future.

The trust has plenty going for it, and it aims to grow AFFO by maximizing revenue by balancing blended lease rate growth against active occupancy management, and improving cost controls through its Next Generation Operating

[1] Estimate

[2] Estimate

[3] In thousands

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Platform (NGOP). Additionally, UDR targets generating 10% to 15% higher NOI growth than the market over the first three years of ownership following its acquisitions. Management is placing emphasis on the NGOP, expecting it to produce strong results in the years ahead. The NGOP is the self-service technology component unique to UDR and has already contributed to controllable margin expansion. It has improved the resident and prospective resident experiences; a large portion of prospect tours were self-guided or touchless. Site-level headcount has been reduced significantly since 2018. As a result, fewer employees are able to manage more units, leading to efficiencies.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/AFFO	21.8	22.0	20.9	23.9	20.7	27.3	22.8	17.8	18.6	17.9	***15.5***	***18.5***
Avg. Yld.	3.2%	3.2%	3.4%	2.9%	3.7%	2.8%	3.0%	4.1%	4.2%	4.3%	***4.4%***	***3.9%***

The current P/AFFO of 15.5 based on 2026 estimated AFFO represents a discount to the 5-year average of 20.8. We find the valuation to be below our fair value estimate of 18.5X, as UDR's deserves a premium multiple due to the safety and outperformance of the apartment space among REITs. Housing is a necessary, non-discretionary expense.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	71%	71%	71%	70%	76%	80%	72%	74%	78%	77%	***69%***	***72%***

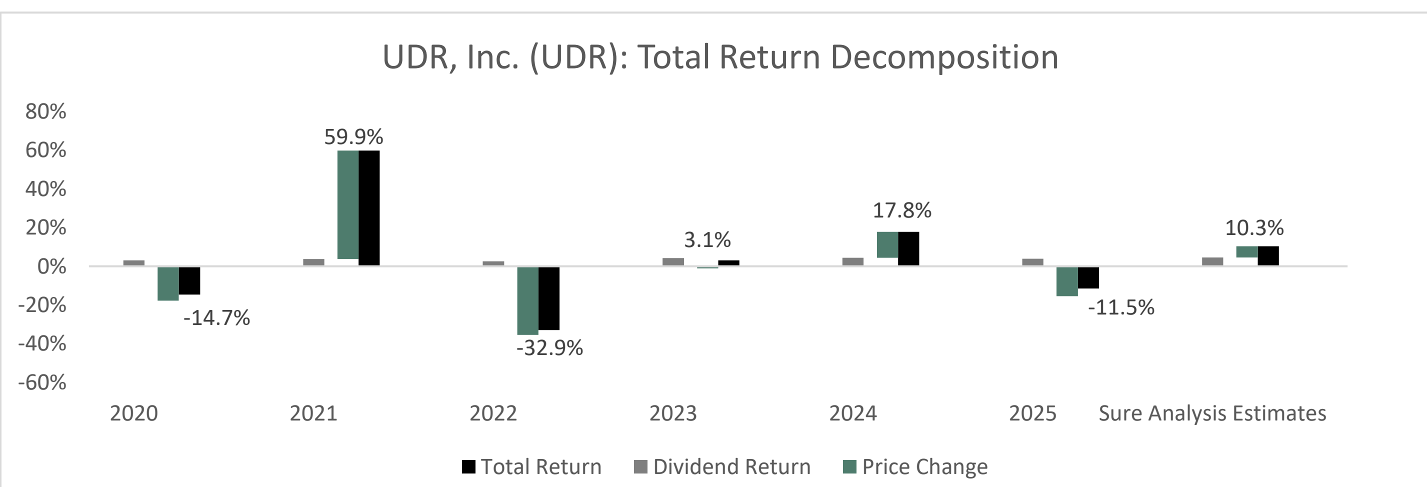
UDR's forecast payout ratio for 2026 of 69% is well covered, especially within the REIT space, as this sector is known for its high payout ratios. The trust has a distinct competitive advantage as it is implementing advanced technological solutions to the apartment rental business, which they believe will help to outperform peers.

The company has an S&P Unsecured Rating of BBB+, and a consolidated net debt-to-EBITDAre of 5.6X (Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate). UDR was negatively affected by the Great Recession as funds from operations dipped, and so did the trust's dividend. The share price cratered, but the company has become stronger since, and weathered the pandemic storm without too much difficulty.

Final Thoughts & Recommendation

UDR has demonstrated consistent results in the past decade even throughout the pandemic, with a fairly safe payout ratio in the REIT space, however it did suffer a dividend cut during the great financial crisis. We forecast UDR will produce annualized total returns of 10.3% in the next five years, stemming from 3.0% AFFO per share growth, a 4.4% dividend yield, and 3.6% P/AFFO multiple expansion. UDR earns a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	960	996	1,047	1,152	1,241	1,291	1,517	1,628	1672	1,712
Gross Profit	239	253	286	288	215	873	331	393	417	438
Gross Margin	24.9%	25.4%	27.4%	25.0%	17.3%	67.7%	21.8%	24.1%	24.9%	25.6%
SG&A Exp.	50	49	47	52	50	96	64	70	84	
D&A Exp.	426	436	436	508	619					
Operating Profit	175	189	221	216	132	136	235	287	283	322
Op. Margin	18.3%	19.0%	21.1%	18.8%	10.6%	10.5%	15.5%	17.6%	16.9%	18.8%
Net Profit	293	122	203	185	64	150	87	444	90	404
Net Margin	30.5%	12.2%	19.4%	16.1%	5.2%	11.6%	5.7%	27.3%	5.4%	23.6%
Free Cash Flow	440	393	443	446	430					

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	7,680	7,733	7,712	9,636	9,638	10,775	11,038	11,370	10900	10,610
Cash & Equiv. ($B)	2	2	185	8	1	1	1	3	1	37
Total Liabilities	4,583	4,898	4,789	6,247	6,379	7,301	6,100	6,421	6437	6,457
Accounts Payable	104	103	76	90	111	137	153	141	115	
Long-Term Debt	3,401	3,672	3,548	4,708	4,977	5,413	5,487	5,799	5827	6,004
Total Equity	3,047	2,780	2,859	3,312	3,189	3,398	4,053	3,947	3400	3,288
LTD/E Ratio	1.1	1.3	1.2	1.4	1.5	1.57	1.34	1.45	1.69	1.83

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.8%	1.6%	2.6%	2.1%	0.7%	1.5%	0.8%	4.0%	0.8%	3.8%
Return on Equity	9.9%	4.2%	7.2%	6.0%	2.0%	4.6%	2.3%	9.0%	1.9%	9.4%
ROIC	4.5%	1.9%	3.1%	2.5%	0.8%	1.8%	0.8%	4.2%	0.9%	3.9%
Shares Out.	267.3	268.8	269.5	286.0	294.9	301.7	322.7	329.1	330.1	331.1
Revenue/Share	3.59	3.70	3.88	4.03	4.21	4.28	4.70	4.95	5.06	5.17
FCF/Share	1.65	1.46	1.65	1.56	1.46					

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.