

UDR, Inc.
Form 424B5
August 01, 2017

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Aggregate Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common Stock, \$0.01 par value per share	20,000,000	\$38.43	\$768,600,000	\$89,081

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- (1) Estimated solely for the purpose of calculating the registration fee. Pursuant to Rule 457(c) under the Securities Act of 1933, as amended (the "Securities Act"), the proposed maximum offering price per share and the proposed maximum aggregate offering price have been determined on the basis of the average of the high and low prices reported on the New York Stock Exchange on July 27, 2017.
- (2) On April 27, 2017, the Company filed a prospectus supplement to the base prospectus contained in the Company's Registration Statement on Form S-3 (File No. 333- 217491) in connection with the Company's prior "at-the-market" offering program (the "Prior ATM Program"). In connection with such prospectus supplement, the Company owed a filing fee of \$83,379 to register the offering of 20,000,000 shares of the Company's common stock, of which \$48,498 was applied from registration fees previously paid for unsold securities under the Company's prospectus supplement dated June 30, 2014 filed under the Company's Registration Statement on Form S-3 (File No. 333-197710) and \$34,881 was paid by the Company on the date thereof. All of the 20,000,000 shares registered in connection with the Prior ATM Program remain unsold as of the date hereof. Pursuant to Rule 457(p) under the Securities Act, the Company is applying the entire registration fee previously paid with respect to such unsold securities toward the payment of the registration fee for the securities to be registered hereunder. As a result, the Company is paying \$5,702 herewith.

Filed pursuant to Rule 424(b)(5)

Registration No. 333-217491

Prospectus Supplement

(To Prospectus dated April 27, 2017)

Up to 20,000,000 Shares

UDR, INC.

Common Stock

On July 31, 2017, we entered into an ATM sales agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, or the Initial Agents, and Bank of America, N.A., Citigroup N.A., Credit Suisse Securities (USA) LLC, JPMorgan Chase Bank, National Association and Morgan Stanley & Co. LLC, or the Initial Forward Purchasers, each of which is either an Initial Agent or an affiliate of an Initial Agent, relating to the offering of up to 20,000,000 shares of our common stock, par value \$0.01 per share, offered by this prospectus supplement and the accompanying prospectus. In accordance with the terms of the sales agreement, we may offer and sell up to 20,000,000 shares of our common stock from time to time through the Initial Agents and any additional agents appointed under the sales agreement from time to time by us, acting as sales agents, or the Agents. Upon entering into the sales agreement, we simultaneously terminated the ATM sales agreement, dated as of April 27, 2017, among us and each of the Initial Agents, which we entered into in connection with our prior "at-the-market" offering program.

The sales agreement provides that, in addition to the issuance and sale of our common stock through the Agents, we also may enter into separate forward sale agreements with the Initial Forward Purchasers, and any additional forward purchasers (each of which will be either an additional agent or an affiliate of an additional agent) appointed under the sales agreement from time to time by us, acting as forward purchasers, or the Forward Purchasers. In connection with any particular forward sale agreement, the relevant Forward Purchaser will, at our request, borrow from third parties and, through the relevant Agent, sell a number of shares of our common stock equal to the number of shares of our common stock underlying the particular forward sale agreement. We refer to the Agents, when acting as agents for the Forward Purchasers, as Forward Sellers.

We will not initially receive any proceeds from any sale of borrowed shares of our common stock by a Forward Seller. We currently expect to fully physically settle each forward sale agreement with the relevant Forward Purchaser on one or more dates specified by us on or prior to the maturity date of that particular forward sale agreement, in which case we will expect to receive aggregate net cash proceeds at settlement equal to the number of shares underlying the particular forward sale agreement multiplied by the relevant forward sale price. However, subject to certain exceptions, we may also elect, in our discretion, to cash settle or net share settle a particular forward sale agreement, in which case we may not receive any proceeds (in the case of cash settlement) or will not receive any proceeds (in the case of net share settlement), and we may owe cash (in the case of cash settlement) or shares of our common stock (in the case of net share settlement) to the relevant Forward Purchaser. See “Plan of Distribution” in this prospectus supplement.

We will pay the Agents an aggregate fee that will not exceed, but may be lower than, 2% of the gross sales price per share for any shares sold through them acting as our sales agents. Subject to the terms and conditions of the sales agreement, the Agents will use their reasonable efforts to sell on our behalf any shares of common stock to be offered by us under the sales agreement. The offering of common stock pursuant to the sales agreement will terminate upon the earlier of (1) the sale of all the shares of our common stock subject to the sales agreement, and (2) the termination of the sales agreement, pursuant to its terms, by the Agents, the Forward Purchasers or us.

In connection with each forward sale agreement, we will pay the relevant Forward Seller, in the form of a reduced initial forward sale price under the related forward sale agreement with the related Forward Purchaser, commissions at a mutually agreed rate that will not exceed, but may be lower than, 2% of the gross sales prices of all borrowed shares of common stock sold during the applicable forward selling period by it as a Forward Seller. If any Agent and/or Forward Seller, as applicable, engages in special selling efforts, as that term is used in Regulation M under the Securities Exchange Act of 1934, as amended, or the Exchange Act, such Agent and/or Forward Seller, as applicable, will receive from us a commission to be agreed upon at the time of sale.

Under the terms of the sales agreement, we also may sell shares to each of the Agents, as principal for its own respective account, at a price per share to be agreed upon at the time of sale. If we sell shares to any Agent acting as principal, we will enter into a separate terms agreement with the Agent, setting forth the terms of such transaction, and we will describe the agreement in a separate prospectus supplement or pricing supplement.

Our common stock is listed and trades on the NYSE under the symbol “UDR.” The last reported sale price of our common stock on the NYSE on July 31, 2017 was \$39.09 per share.

Investing in our common stock involves risks. See “Risk Factors” beginning on page S-3 of this prospectus supplement and 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 or Quarterly Report on Form 10-Q and other periodic filings with the Securities and Exchange Commission, or the SEC, which are incorporated by reference herein.

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Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

BofA Merrill Lynch Citigroup Credit Suisse J.P. Morgan Morgan Stanley

The date of this prospectus supplement is July 31, 2017.

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This document is in two parts. The first part is the prospectus supplement, which describes the terms of this offering and adds to and updates information contained in the accompanying prospectus. The second part, the prospectus, provides more general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, on the other hand, you should rely on the information contained in this prospectus

supplement.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the Agents, the Forward Sellers and the Forward Purchasers have not, authorized anyone to provide additional information or information different from that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this prospectus supplement and the accompanying prospectus in any jurisdiction where it is unlawful to make such offer or solicitation. Neither the delivery of this prospectus supplement nor the sale of shares of our common stock means that information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is correct after their respective dates.

Unless otherwise expressly stated or the context otherwise requires, references in this prospectus supplement and the accompanying prospectus to “UDR,” “we,” “us,” “our” or “the company” are to UDR, Inc.

STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, include statements about future events and expectations that constitute forward-looking statements. Such forward-looking statements include, without limitation, statements concerning property acquisitions and dispositions, development activity and capital expenditures, capital raising activities, rent growth, occupancy, and rental expense growth. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” and variations of such words and similar expressions are intended to identify such forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from the results of operations or plans expressed or implied by such forward-looking statements. Although we believe that the assumptions underlying such forward-looking statements are reasonable, any of the assumptions could be inaccurate, and therefore such statements may not prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, 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.

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

- general economic conditions;
- unfavorable changes in apartment market and economic conditions that could adversely affect occupancy levels and rental rates;
- the failure of acquisitions to achieve anticipated results;
- possible difficulty in selling apartment communities;
- competitive factors that may limit our ability to lease apartment homes or increase or maintain rents;
 - insufficient cash flow that could affect our debt financing and create refinancing risk;
- failure to generate sufficient revenue, which could impair our debt service payments and 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;
- the imposition of federal taxes if we fail to qualify as a real estate investment trust, or REIT, under the Internal Revenue Code of 1986, as amended, 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.

Please also refer to the section entitled “Risk Factors” in our most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q and the other information that we file with the SEC from time to time and incorporate by reference herein for further information on these and other risks affecting us. See “Where You Can Find More Information.”

We caution you not to place undue reliance on forward-looking statements because our future results may differ materially from those expressed or implied by them. We do not intend to update any forward-looking statement, whether written or oral, relating to the matters discussed in this prospectus supplement and the accompanying prospectus, except as required by law.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information that you should consider before making an investment decision. Before making an investment decision, you should read carefully this entire prospectus supplement and the accompanying prospectus, including the matters discussed in “Risk Factors” in this prospectus supplement, the accompanying prospectus, our most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q and the other information that we file with the SEC from time to time and incorporate by reference herein, as such risk factors may be amended, updated or modified periodically in our reports filed with the SEC, and the financial data and related notes and the reports incorporated by reference in this prospectus supplement and the accompanying prospectus.

Company Overview

We are a self-administered REIT that owns, operates, acquires, renovates, develops, redevelops, disposes of and manages multifamily apartment communities generally located in high barrier-to-entry markets throughout the United States. The high barrier-to-entry markets are characterized by limited land for new construction, difficult and lengthy entitlement processes, low single-family home affordability and strong employment growth potential. At June 30, 2017, our consolidated real estate portfolio included 128 communities located in 18 markets, with a total of 39,822 completed apartment homes, which are held directly or through our subsidiaries, including United Dominion Realty, L.P., or the Operating Partnership, and UDR Lighthouse DownREIT L.P., and consolidated joint ventures. In addition, we have an ownership interest in 29 communities containing 7,286 apartment homes through unconsolidated joint ventures or partnerships. As of June 30, 2017, we were developing two wholly-owned communities with 1,101 apartment homes, 124 of which have been completed, and two unconsolidated joint venture communities with 533 apartment homes, none of which have been completed.

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

We were formed in 1972 as a Virginia corporation and reincorporated in the State of Maryland in June 2003. The Operating Partnership was formed in 2004 as a Delaware limited partnership, and is the successor-in-interest to United Dominion Realty, L.P., a limited partnership formed under the laws of Virginia, which commenced operations in 1995. Our principal offices are located at 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129 and our telephone number at that address is (720) 283-6120. Our website address is www.udr.com. The information on, or accessible through, our website is not part of this prospectus supplement and should not be relied upon in connection with making any investment decision with respect to the securities offered by this prospectus supplement.

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

The Offering	
Issuer	UDR, Inc., a Maryland corporation.
Common stock offered	Up to 20,000,000 shares of our common stock, par value \$0.01 per share.
Use of proceeds	We intend to use the net proceeds (1) from any issuances and sales of shares of our common stock to or through the Agents and (2) if any, from the settlement of any forward sale agreements, to repay outstanding indebtedness, to fund acquisitions of properties, including acquisitions through our joint ventures, to fund opportunistic investments that we may pursue and for working capital and other general corporate purposes. See “Use of Proceeds.”
Risk factors	Before deciding to invest in shares of our common stock, you should read carefully the risks set forth under the caption “Risk Factors” beginning 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 or Quarterly Report on Form 10-Q and the other information that we file with the SEC from time to time and incorporate by reference herein for certain considerations relevant to an investment in our common stock.
Conflicts of interest	All of the proceeds from this offering from any sales made pursuant to a forward sale agreement will be paid to the applicable Forward Purchaser, which will be either an Agent or an affiliate of an Agent. As a result, an Agent or its affiliate will receive the net proceeds from any sales made in this offering in connection with forward sales. See “Plan of Distribution — Conflicts of Interest.”
New York Stock Exchange symbol	UDR
Transfer agent and registrar	Wells Fargo Bank, N.A.

RISK FACTORS

An investment in our common stock is subject to risk. Our business, financial condition, and results of operations could be materially adversely affected by any of these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. Before you decide to invest in our common stock, you should carefully consider the risks described below and in our most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q and the other information that we file with the SEC from time to time and incorporate by reference herein, as such risks may be amended, updated or modified periodically in our reports filed with the SEC, as well as the other information included in and incorporated by reference in this prospectus supplement and the accompanying prospectus.

The market value of our common stock could be substantially affected by various factors. Market volatility may adversely affect the market price of our common stock. As with other publicly traded securities, the share price of our common stock depends on many factors, which may change from time to time, including:

- the market for similar securities issued by REITs;
- changes in estimates by analysts;
- our ability to meet analysts' estimates;
- prevailing interest rates;
- general economic and financial market conditions; and
- our financial condition, performance and prospects.

Many of these factors are beyond our control. These factors may cause the market price of our common stock to decline, regardless of our financial condition, results of operations, business or our prospects.

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

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

- the issuance and exercise of options to purchase our common stock;
- the issuance of shares pursuant to our dividend reinvestment plan; and
- the issuance of debt securities exchangeable for our common stock.

Settlement provisions contained in any forward sale agreement subject us to certain risks. Each Forward Purchaser will have the right to accelerate a forward sale agreement that it enters into with us and require us to physically settle such forward sale agreement in the form of shares of our common stock on a date specified by such Forward Purchaser if: (1) in such Forward Purchaser's commercially reasonable judgment, it or its affiliate is unable to hedge (or maintain a hedge of) its exposure under such forward sale agreement because (x) insufficient shares of our common stock have been made available for borrowing by securities lenders, or (y) the Forward Purchaser or its affiliate would incur a stock loan cost in excess of a specified threshold; (2) we declare any dividend or distribution on shares of our common stock (a) payable in cash in excess of

specified amounts, (b) that constitutes an extraordinary dividend under the forward sale agreement, (c) payable in securities of another company as a result of a spin-off or similar transaction, or (d) payable in any other type of securities (other than our common stock), rights, warrants or other assets for payment at less than the prevailing market price; (3) certain ownership thresholds applicable to such Forward Purchaser and its affiliates are exceeded; (4) an event is announced that if consummated would result in a specified extraordinary event (including certain mergers or tender offers, as well as certain events involving our nationalization, a delisting of our common stock or change in law); or (5) certain other events of default or termination events occur, including, among others, any material misrepresentation made in connection with such forward sale agreement or our insolvency (each as more fully described in the relevant forward sale agreement).

A Forward Purchaser's decision to exercise its right to accelerate a forward sale agreement and to require us to physically settle such forward sale agreement will be made irrespective of our interests, including our need for capital. In such cases, we could be required to issue and deliver shares of our common stock under the terms of the physical settlement provisions of the applicable forward sale agreement irrespective of our capital needs, which would result in dilution to our earnings per share, funds from operations, or FFO, per share, adjusted funds from operations, or AFFO, per share and return on equity.

Except under the circumstances described above, we will generally have the right to elect physical, cash or net share settlement under a forward sale agreement. Subject to the provisions of such forward sale agreement, delivery of shares of our common stock in connection with any physical settlement of such forward sale agreement will result in dilution to our earnings per share, FFO per share, AFFO per share and return on equity. If we elect to cash or net share settle all or a portion of any shares of our common stock underlying any forward sale agreement, we would expect the relevant Forward Purchaser or one of its affiliates to purchase shares of our common stock in secondary market transactions over an unwind period to:

- return shares of our common stock to securities lenders in order to unwind such Forward Purchaser's hedge (after taking into consideration any shares of our common stock to be delivered by us to such Forward Purchaser, in the case of net share settlement); and, if applicable,
- in the case of net share settlement, deliver shares of our common stock to us to the extent required upon settlement of such forward sale agreement.

If the price of our common stock at which these purchases are made is below the relevant forward sale price, the applicable Forward Purchaser will pay us such difference in cash (if we cash settle) or deliver to us shares of our common stock having a market value equal to such difference (if we net share settle). If the price of our common stock at which these purchases are made exceeds the applicable forward sale price, we will pay the applicable Forward Purchaser an amount in cash equal to such difference (if we elect to cash settle) or we will deliver to such Forward Purchaser a number of shares of our common stock having a market value equal to such difference (if we elect to net share settle). Any such difference could be significant. See "Plan of Distribution—Sales Through Forward Sellers."

In addition, the purchase of our common stock by a Forward Purchaser or its affiliate to unwind the Forward Purchaser's hedge position could cause the price of our common stock to increase over time, thereby increasing the amount of cash (in the case of cash settlement) or the number of shares (in the case of net share settlement) that we would owe such Forward Purchaser upon settlement of the applicable forward sale agreement or decrease the amount of cash (in the case of cash settlement) or the number of shares (in the case of net share settlement) that such Forward Purchaser would owe us upon settlement of the applicable forward sale agreement.

In case of our bankruptcy or insolvency, any forward sale agreements will automatically terminate, and we would not receive the expected net proceeds from any forward sales of shares of our common stock. If we file for or consent to a proceeding seeking a judgment in bankruptcy or insolvency or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or we or a regulatory authority with jurisdiction over us presents a petition for our winding-up or liquidation, or we consent to such a petition, any forward sale agreement that is then in effect will automatically terminate. If any such forward sale agreement so terminates under these circumstances, we would not be obligated to deliver to the relevant Forward Purchaser any shares of our common stock not previously delivered, and the relevant Forward Purchaser would be discharged from its obligation to pay the applicable forward sale price per share in respect of any shares of our common stock not previously settled under the applicable forward sale agreement. Therefore, to the extent that there are any

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shares of our common stock with respect to which any forward sale agreement has not been settled at the time of the commencement of any such bankruptcy or insolvency proceedings, we would not receive the relevant forward sale price per share in respect of those shares of our common stock.

The U.S. federal income tax treatment regarding cash settlement of a forward sale agreement is unclear and could jeopardize our ability to meet the REIT qualification requirements. In the event that we elect to settle any forward sale agreement for cash and the settlement price is different than the applicable forward sale price, we will either receive a cash payment from or make a cash payment to the relevant Forward Purchaser. Under Section 1032 of the Internal Revenue Code of 1986, as amended, or the Code, generally, no gain or loss is recognized by a corporation in dealing in its own stock, including pursuant to a “securities futures contract.” Although we believe that any amount received by us in exchange for our common stock would qualify for the exemption under Section 1032 of the Code, it is unclear whether a cash settlement of the forward sale agreement would also qualify for such exemption. In the event that we recognize a significant gain from the cash settlement of a forward sale agreement, we might not be able to satisfy the gross income requirements applicable to REITs under the Code. In the event that we are required to make a significant payment in cash to settle a forward agreement, we might not be able to satisfy the distribution requirements applicable to REITs under the Code, absent additional debt or equity financing. While we would not anticipate electing the cash settlement option under any forward sale agreement, such a cash settlement election could result in our failure to satisfy the REIT income tests or distribution requirements. In that case, we may be able to rely upon the relief provisions under the Code in order to avoid the loss of our REIT status. In the event that these relief provisions were not available, we could lose our REIT status under the Code.

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USE OF PROCEEDS

We intend to use the net proceeds (1) from any issuances and sales of shares of our common stock to or through the Agents and (2) from the settlement of any forward sale agreements, to repay outstanding indebtedness, to fund acquisitions of properties, including acquisitions through our joint ventures, to fund opportunistic investments that we may pursue and for working capital and other general corporate purposes.

We will not initially receive any proceeds from any sales of our common stock by a Forward Seller in connection with any forward sale agreement. We currently expect to fully physically settle each particular forward sale agreement, in which case we expect to receive aggregate net cash proceeds at settlement in an amount equal to the number of shares of common stock underlying the particular forward sale agreement multiplied by the relevant forward sale price. The forward sale price that we expect to receive upon physical settlement of a particular forward sale agreement will be equal to the gross sales prices of all borrowed shares of common stock sold by the relevant Forward Seller during the applicable forward selling period less a forward hedge selling commission not to exceed 2%, will be subject to adjustment on a daily basis based on a floating interest rate factor equal to the federal funds rate less a spread and will be decreased based on amounts related to expected dividends on shares of our common stock during the term of the particular forward sale agreement. If the federal funds rate is less than the spread on any day, the interest factor will result in a daily reduction of the applicable forward sale price.

We expect that before the issuance of shares of our common stock, if any, upon physical or net share settlement of any forward sale agreement, the shares issuable upon settlement of that particular forward sale agreement will be reflected in our diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share will be deemed to be increased by the excess, if any, of the number of shares of common stock that would be issued upon full physical settlement of that particular forward sale agreement over the number of shares of common stock that could be purchased by us in the market (based on the average market price during the relevant forward selling period) using the net proceeds receivable upon full physical settlement (based on the adjusted forward sale price at the end of the relevant reporting period).

The Initial Agents, the Initial Forward Purchasers and/or their respective affiliates are lenders under our \$1.1 billion unsecured revolving credit facility. If we use a portion of the net proceeds from this offering to repay amounts that may be outstanding from time to time under our unsecured revolving credit facility, the Initial Agents, the Initial Forward Purchasers and/or their affiliates will receive a portion of the net proceeds from this offering used to reduce amounts outstanding thereunder. See “Plan of Distribution —Conflicts of Interest.”

PLAN OF DISTRIBUTION

We have entered into an ATM sales agreement, as may be amended or supplemented from time to time, or the sales agreement, with the Initial Agents, the relevant Forward Sellers and the Initial Forward Purchasers under which we may issue and sell over a period of time and from time to time up to 20,000,000 shares of our common stock through the Initial Agents and any additional agents appointed by us under the sales agreement, acting as sales agents, or the Agents. Further, the sales agreement provides that, in addition to the issuance and sale of common stock through the Agents, we also may deliver instructions to any Agent specifying that such Agent, as a Forward Seller, use its commercially reasonable efforts to sell, from time to time, shares of our common stock borrowed by the relevant Forward Purchaser in connection with one or more forward sale agreements as described below.

We will deliver to the NYSE copies of this prospectus supplement and the accompanying prospectus pursuant to the rules of the NYSE. Unless otherwise required, we will report at least quarterly (1) the number of shares of our common stock sold to or through the Managers in connection with at-the-market sales as described below under “— Sales Through Agents as Sales Agents,” (2) the number of borrowed shares of our common stock sold by the Forward Sellers, as Agents for the Forward Purchasers, in connection with any forward sale agreements as described below under “— Sales Through Forward Sellers” and (3) the net proceeds received by us and the compensation paid by us to the Agents or the Forward Sellers in connection with transactions described in clauses (1) and (2).

In connection with the sale of our common stock on our behalf, any of the Age