

PRESS RELEASE

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FOR IMMEDIATE RELEASE

**AVALONBAY COMMUNITIES ANNOUNCES
 2016 DIVIDEND INCOME TAX TREATMENT**

ARLINGTON, VA (January 17, 2017) – **AvalonBay Communities, Inc.** (the “Company”) (NYSE: AVB) announced today the final income allocations of the Company’s 2016 dividend distributions on its Common Stock. The final income allocations as they will be reported on Form 1099-DIV are set forth in the following table:

Common Shares (CUSIP #053484101)

<u>Declaration</u>			<u>Distribution</u>	<u>Taxable</u>	<u>Return of</u>		<u>Unrecap.</u>
<u>Date</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Per Share</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Capital Gain</u>	<u>Section 1250</u>
				<u>Income (1)</u>			<u>Gain</u>
01/27/16	03/31/16	04/15/16	\$ 1.35000	\$ 0.91800	\$ 0.00000	\$ 0.35100	\$ 0.08100
05/19/16	06/30/16	07/15/16	1.35000	0.91800	0.00000	0.35100	0.08100
09/09/16	09/30/16	10/17/16	1.35000	0.91800	0.00000	0.35100	0.08100
11/10/16	12/31/16	01/16/17	1.35000	0.91800	0.00000	0.35100	0.08100
Totals			\$ 5.40000	\$ 3.67200	\$ 0.00000	\$ 1.40400	\$ 0.32400
			100%	68%	0%	26%	6%

Components may not sum to the totals due to rounding differences. The information above presents final income allocations.

⁽¹⁾ None of the dividends classified as taxable ordinary income represents “qualified dividend income.”

About AvalonBay Communities, Inc.

AvalonBay is an equity REIT in the business of developing, redeveloping, acquiring, and managing apartment communities in leading metropolitan areas in New England, the New York/New Jersey Metro area, the Mid-Atlantic, the Pacific Northwest, and the Northern and Southern California regions of the United States. As of September 30, 2016, the Company

owned or held a direct or indirect ownership interest in 283 apartment communities containing 82,708 apartment homes in 10 states and the District of Columbia, of which 22 communities were under construction and eight communities were under reconstruction. More information may be found on the Company's website at <http://www.avalonbay.com>.