AvalonBay COMMUNITIES

INVESTOR TELECONFERENCE PRESENTATION

First Quarter 2020
May 6, 2020

See Appendix for information about forward-looking statements and definitions of non-GAAP financial measures and other terms.

For the reasons described in the referenced forward-looking statements, as a result of the COVID-19 pandemic and related governmental actions and changes in economic conditions, our historical results may not be indicative of future results.

PARTICIPANTS

TIM NAUGHTON	CHAIRMAN & CHIEF EXECUTIVE OFFICER
KEVIN O'SHEA	CHIEF FINANCIAL OFFICER
MATT BIRENBAUM	CHIEF INVESTMENT OFFICER
SEAN BRESLIN	CHIEF OPERATING OFFICER

AvalonBay COMMUNITIES

Review of First Quarter Results

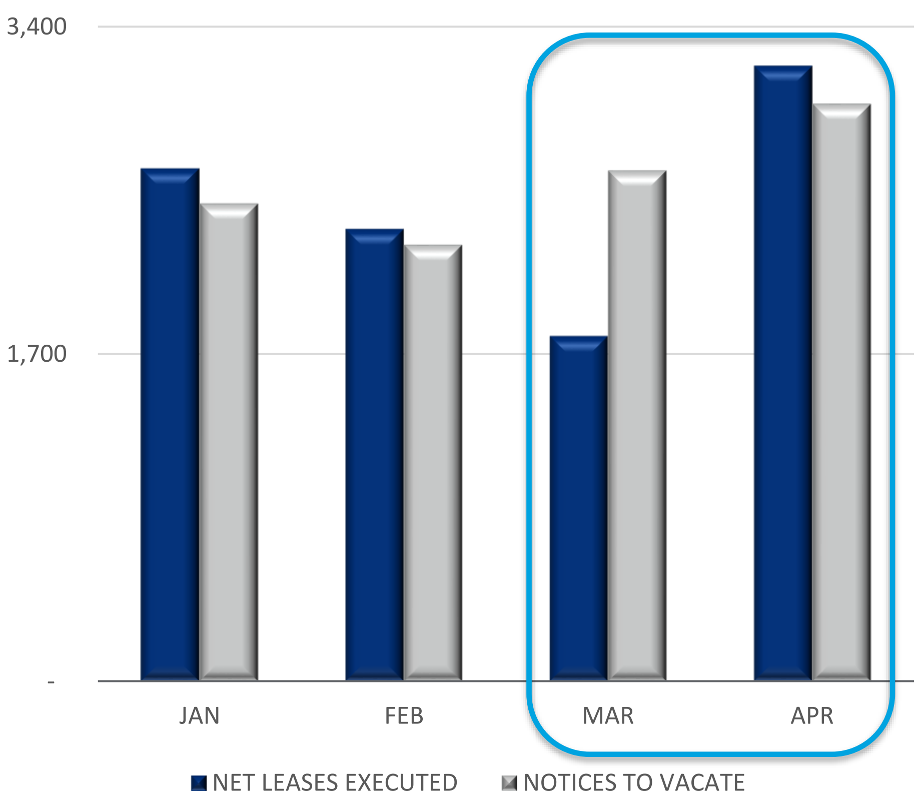
2020 RESULTS	Q1
CORE FFO PER SHARE GROWTH	3.9%
SAME-STORE RENTAL REVENUE | NOI GROWTH	3.1% | 3.0%
DEVELOPMENT COMPLETIONS | WTD. AVG. INITIAL PROJECTED STABILIZED YIELD(1)	$ 215M | 6.4%
CAPITAL RAISED | WTD. AVG. INITIAL COST OF CAPITAL(2)	$ 910M | ≈ 2.9%

Source: Company reports.
See Appendix for a reconciliation of Net Income attributable to common shareholders to FFO and to Core FFO.
(1) The weighted average initial projected stabilized yield contains estimates and projections that may be materially impacted by the COVID-19 pandemic.
(2) Capital raised includes net proceeds from all debt and equity issuances, wholly-owned dispositions (including residential condominium sales at The Park Loggia), and distributions from unconsolidated real estate entities. Weighted average initial cost of capital includes all debt (inclusive of the effect of interest rate hedges) and equity issuances, and wholly-owned dispositions (including the average imputed carry cost of the residential condominiums at the Park Loggia) only.

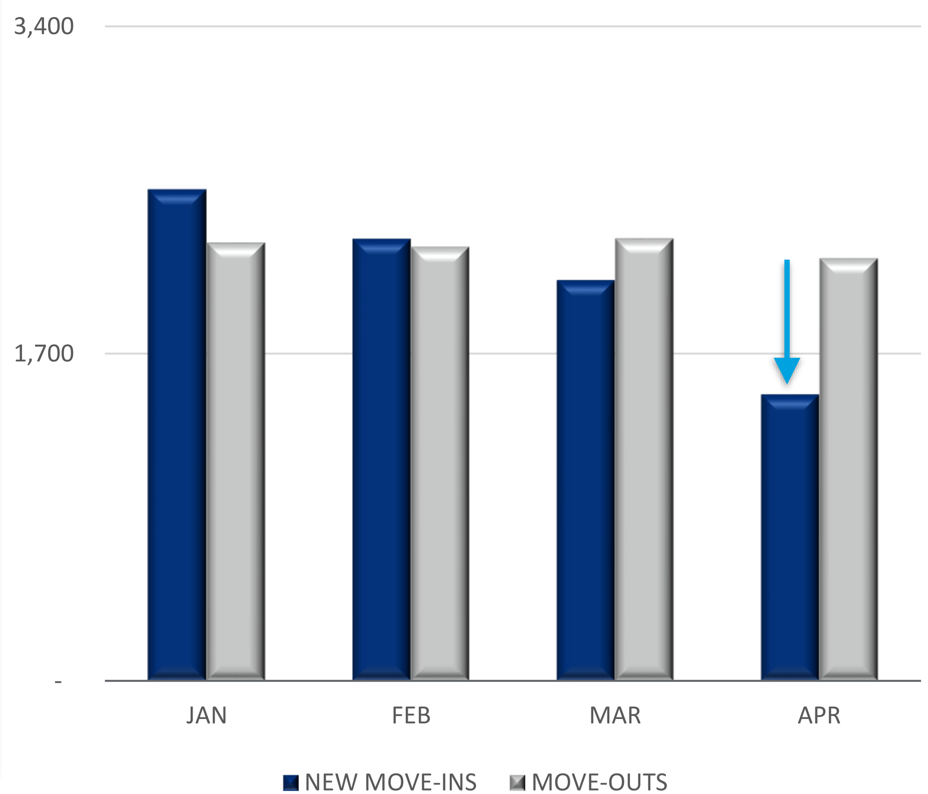
AvalonBay COMMUNITIES

LEASING SLOWED IN MARCH, BUT REBOUNDED IN APRIL; FEWER MOVE-INS IN APRIL...

1 AVB 2020 MONTHLY SAME-STORE NET LEASES EXECUTED AND NOTICES TO VACATE



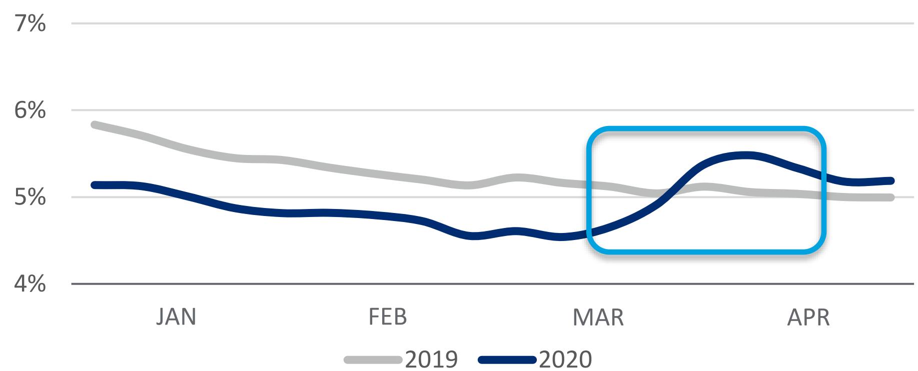
2 AVB 2020 MONTHLY SAME-STORE NEW MOVE-INS AND MOVE-OUTS



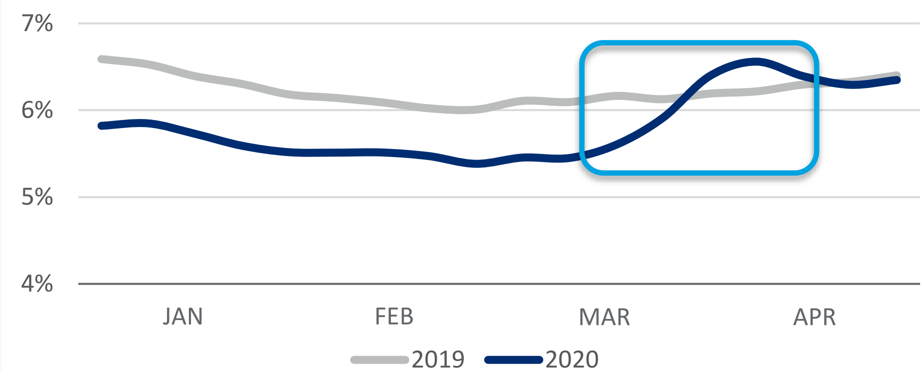
Source: Company reports.

...PUT PRESSURE ON AVAILABILITY, OCCUPANCY AND RENT CHANGE

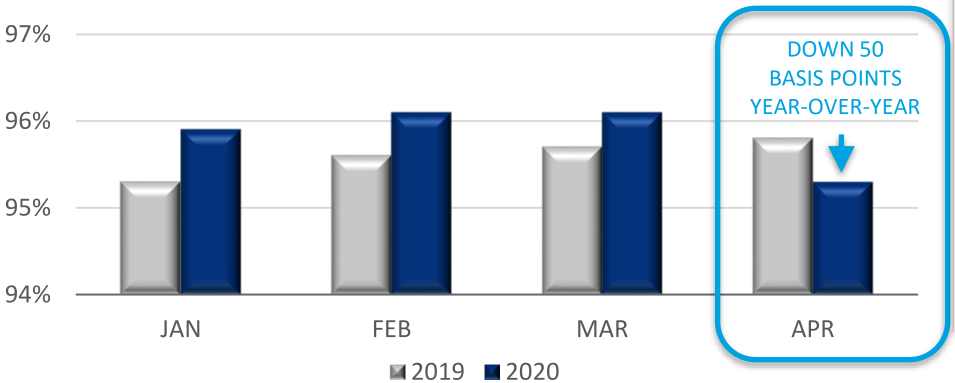
1 AVB WEEKLY SAME-STORE 30-DAY AVAILABILITY



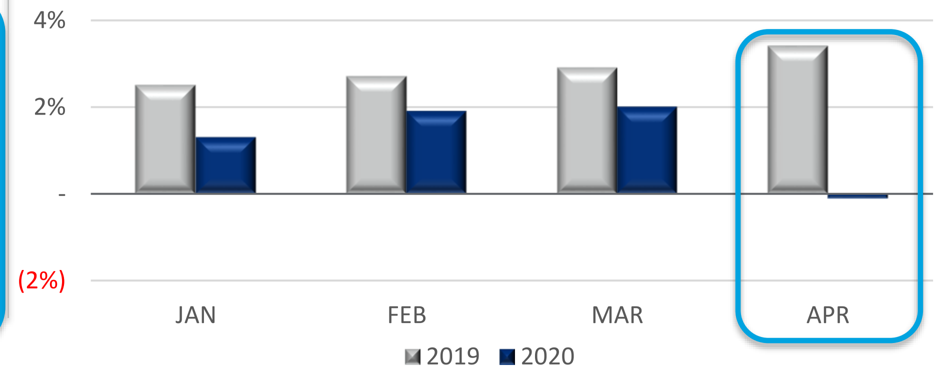
2 AVB WEEKLY SAME-STORE 60-DAY AVAILABILITY



3 AVB MONTHLY SAME-STORE PHYSICAL OCCUPANCY



4 AVB MONTHLY SAME-STORE LIKE-TERM EFFECTIVE RENT CHANGE



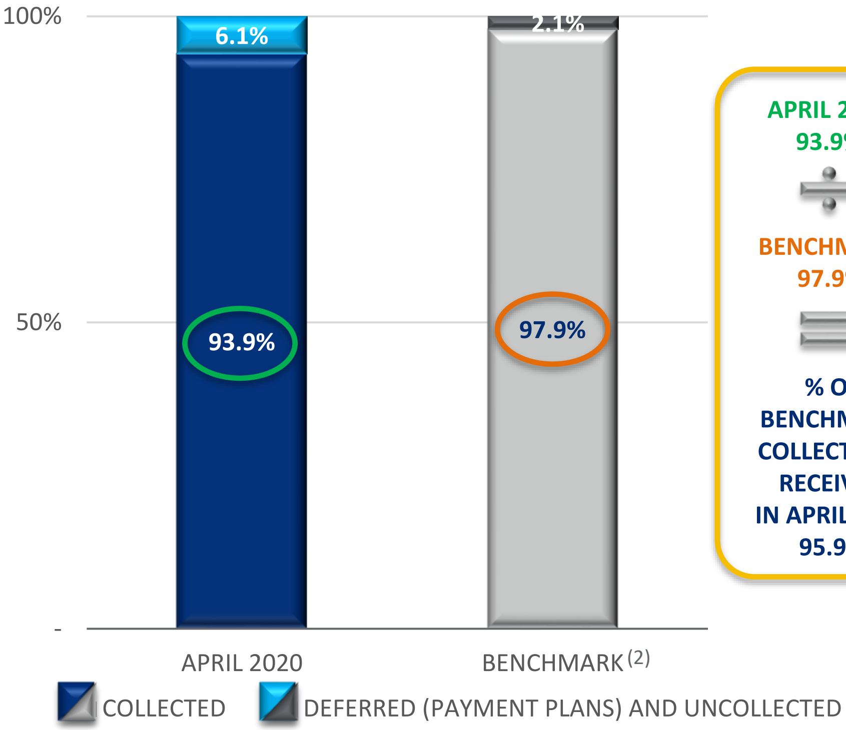
Source: Company reports.

AvalonBay COMMUNITIES

Received ≈ 96% of typical residential collections in April

1 AVB APRIL 2020 SAME-STORE RESIDENTIAL REVENUE COLLECTION RATE VERSUS TRAILING 12-MONTH BENCHMARK[(1)]

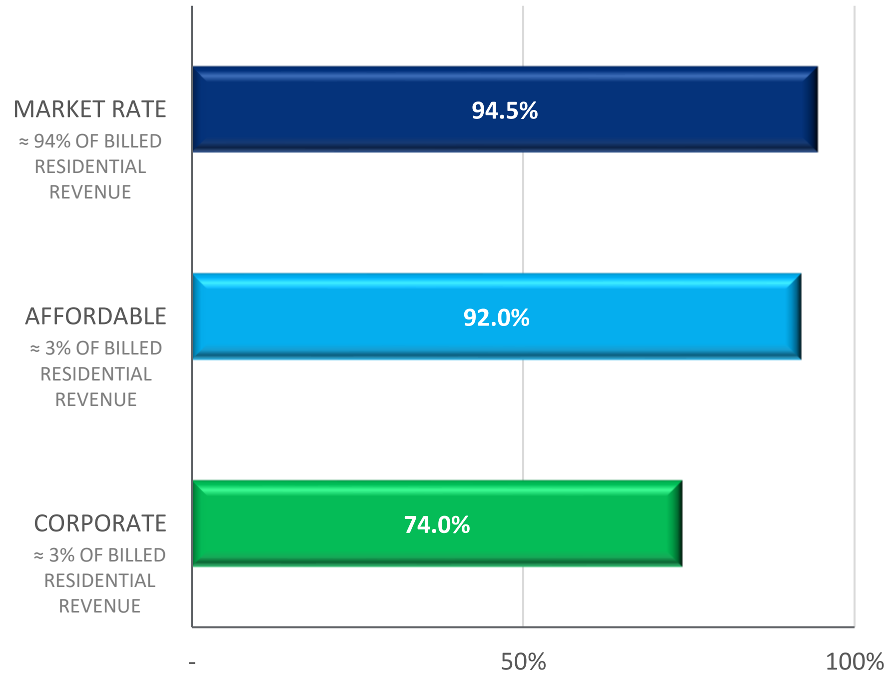
PERCENTAGE OF BILLED RESIDENTIAL REVENUE COLLECTED



APRIL 2020
93.9%
÷
BENCHMARK
97.9%
=
% OF BENCHMARK COLLECTIONS RECEIVED IN APRIL 2020
95.9%

2 AVB APRIL 2020 SAME-STORE RESIDENTIAL REVENUE COLLECTION RATE BY APARTMENT SEGMENT[(1)]

PERCENTAGE OF BILLED RESIDENTIAL REVENUE COLLECTED



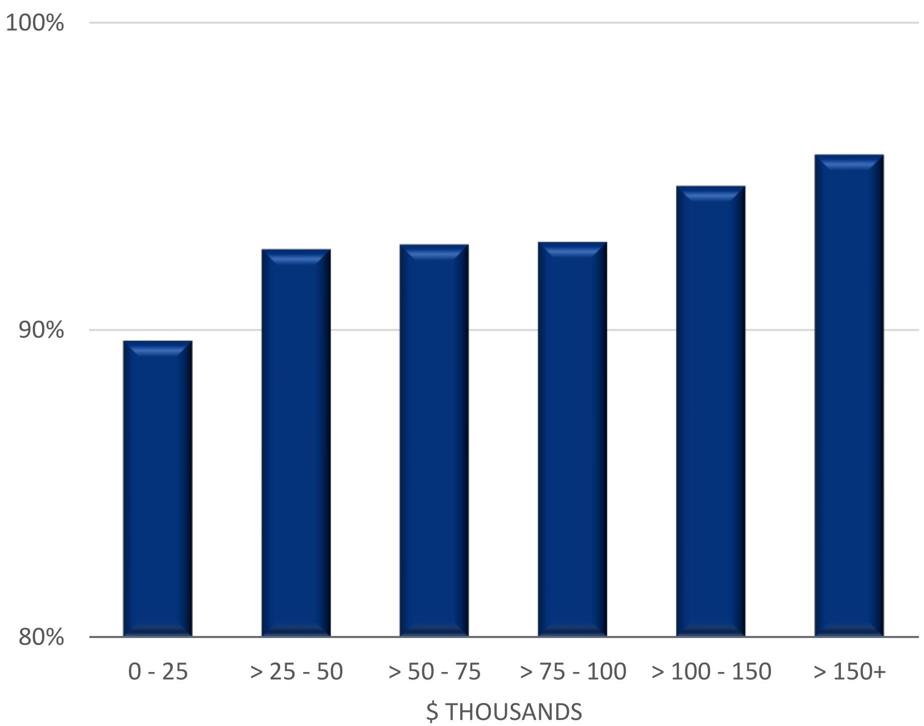
Source: Company reports.

(1) Information presented above excludes (i) billed and collected transactional fees, such as application and cancellation fees and (ii) certain fees that would have been billed and collected under the lease terms, such as common area amenity, late and credit card fees, which were waived in April 2020 due to the closure of the Company's amenity spaces or to mitigate the financial impact of COVID-19 on residents.

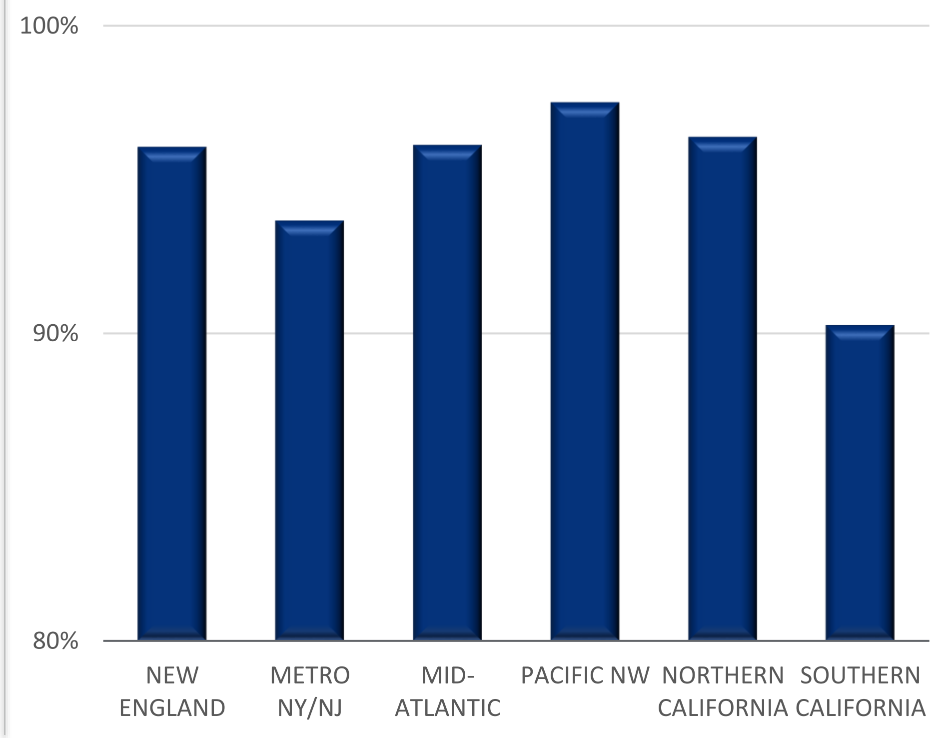
(2) Amounts represent the Company's historical weighted average monthly percentages as of the last day of the month for the period of April 2019 to March 2020.

Collection rate strongest for higher income segments; Southern Cal was the most impacted region

1 PERCENT OF AVB RESIDENTS THAT PAID APRIL RENT IN ACCORDANCE WITH LEASE OBLIGATION(1)
BY ANNUAL HOUSEHOLD INCOME

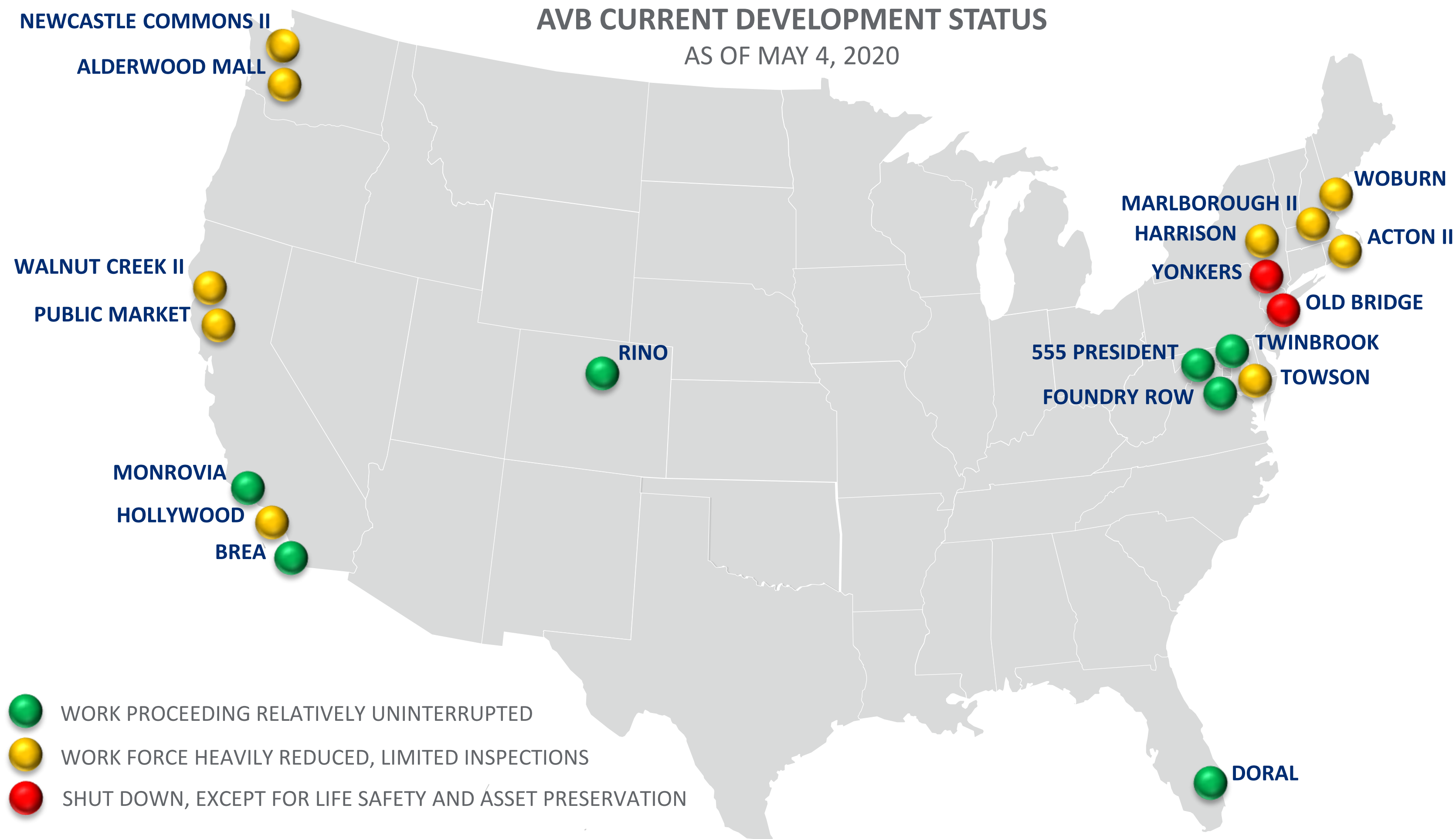


2 PERCENT OF AVB RESIDENTS THAT PAID APRIL RENT IN ACCORDANCE WITH LEASE OBLIGATION(1)
BY REGION



Source: Company reports.
(1) For same-store communities only and excluding corporate apartment homes.

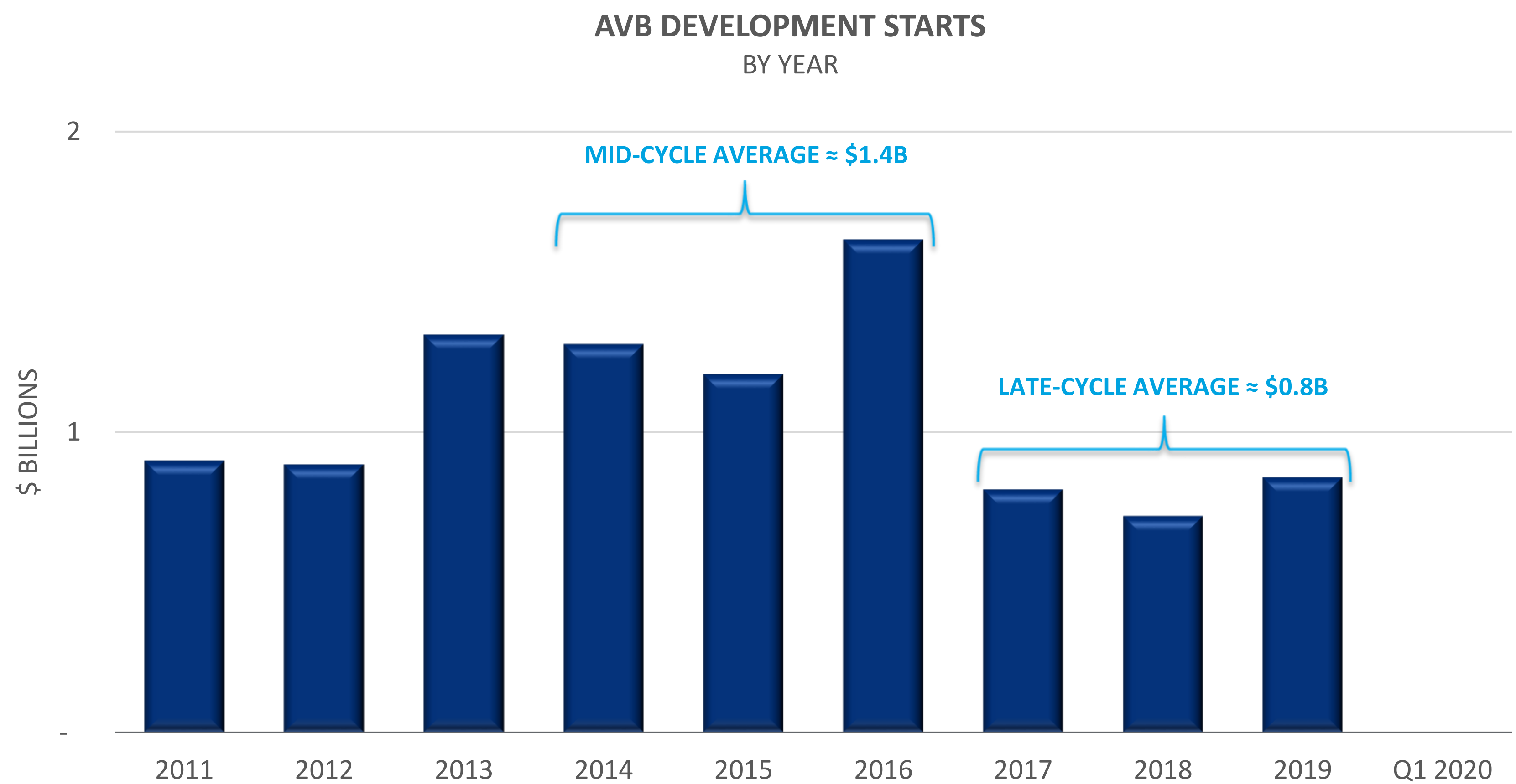
MANY COMMUNITIES UNDER CONSTRUCTION IMPACTED BY LOCAL ORDINANCES AND SOCIAL DISTANCING



Source: Company reports.

AvalonBay COMMUNITIES

Development starts slowed as the cycle matured



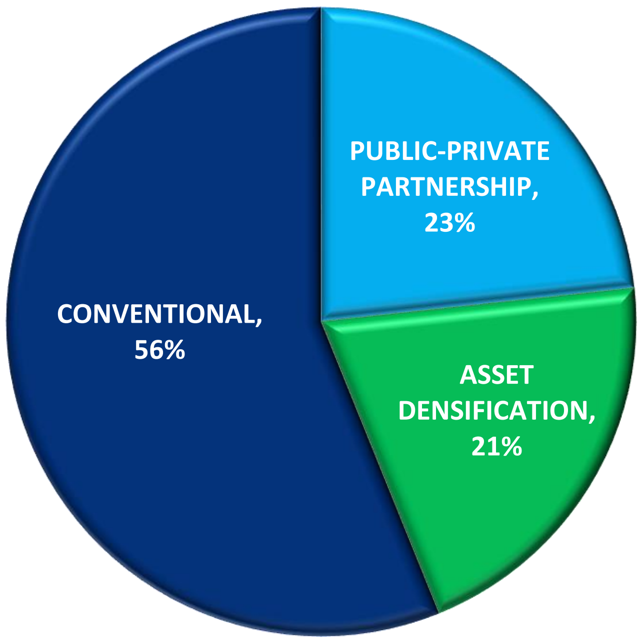
Source: Company reports.

DEVELOPMENT RIGHTS PIPELINE OFFERS FLEXIBILITY TO TAKE ADVANTAGE OF FUTURE MARKET CONDITIONS

1

$4.1 BILLION DEVELOPMENT RIGHTS PIPELINE BY CLASSIFICATION

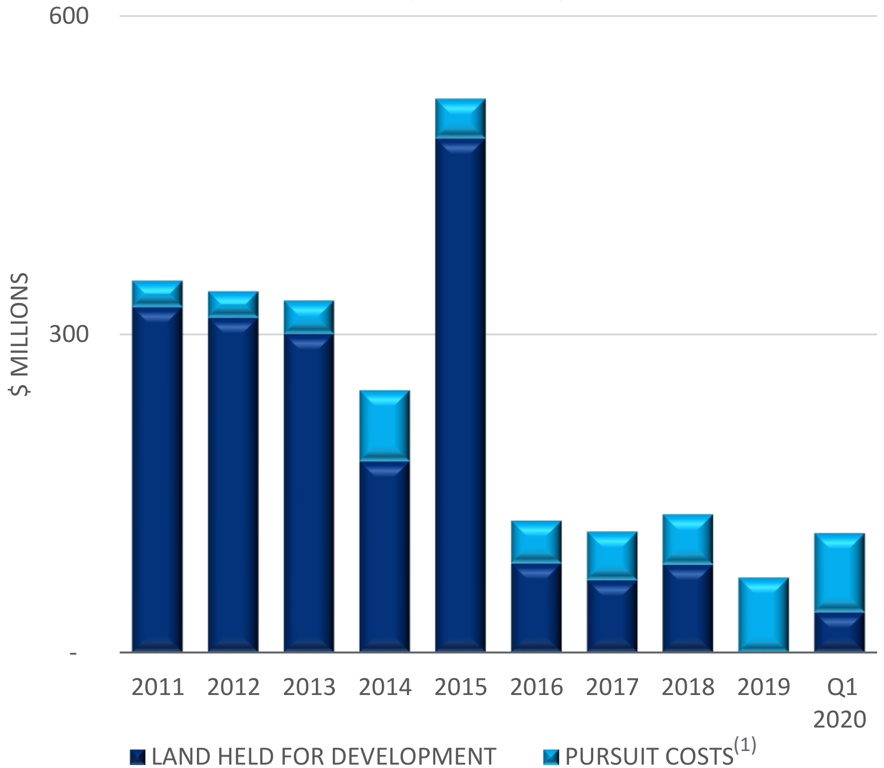
AS OF THE END OF Q1 2020



2

INVESTMENT IN DEVELOPMENT RIGHTS PIPELINE

LAND HELD FOR DEVELOPMENT AND PURSUIT COSTS AT THE END OF EACH PERIOD



Source: Company reports.

(1) Capitalized costs (including legal fees, design fees, and related overhead costs) related to Development Rights for which we control the land parcel, typically through a conditional agreement or option to purchase the land.

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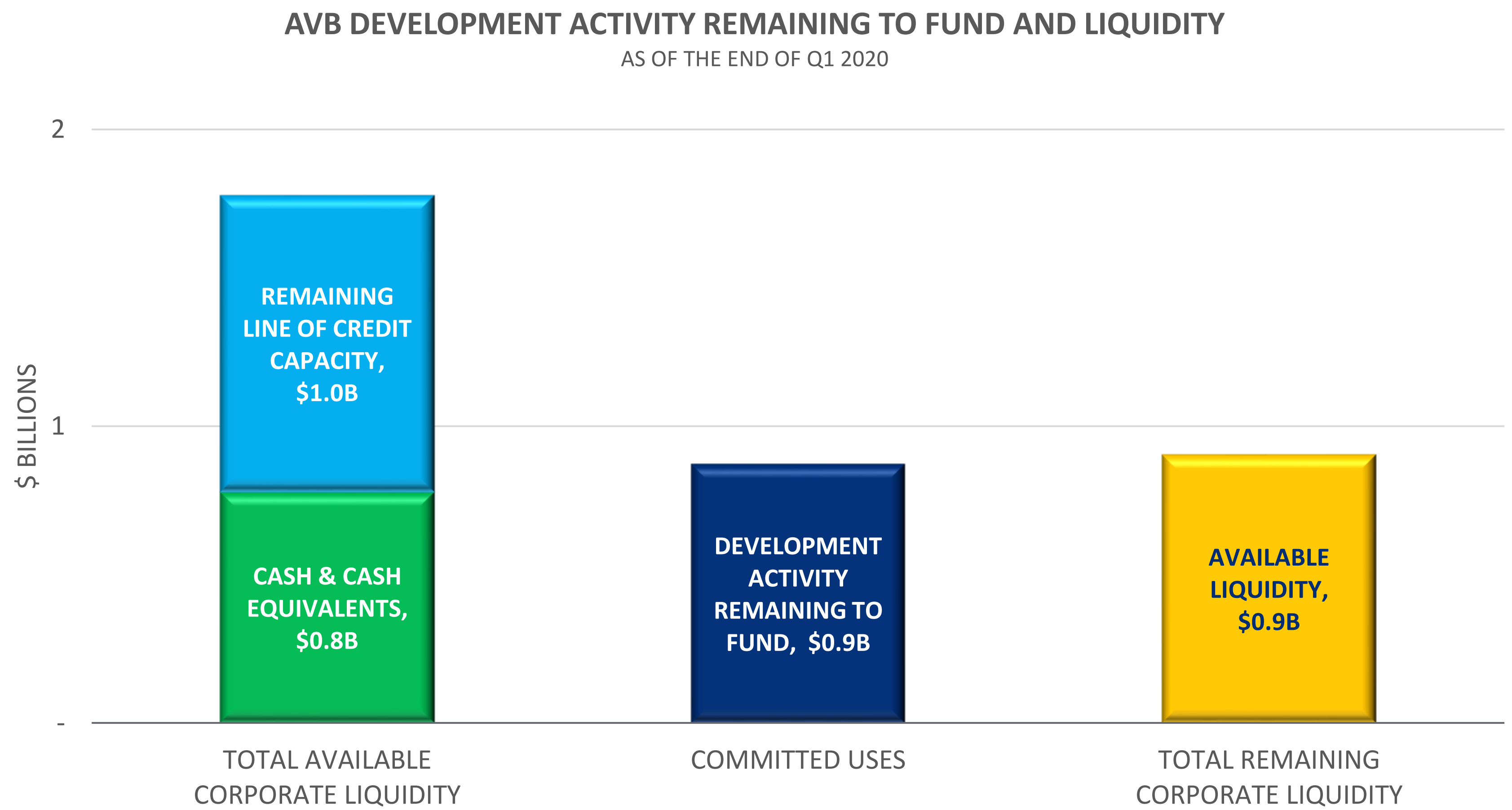
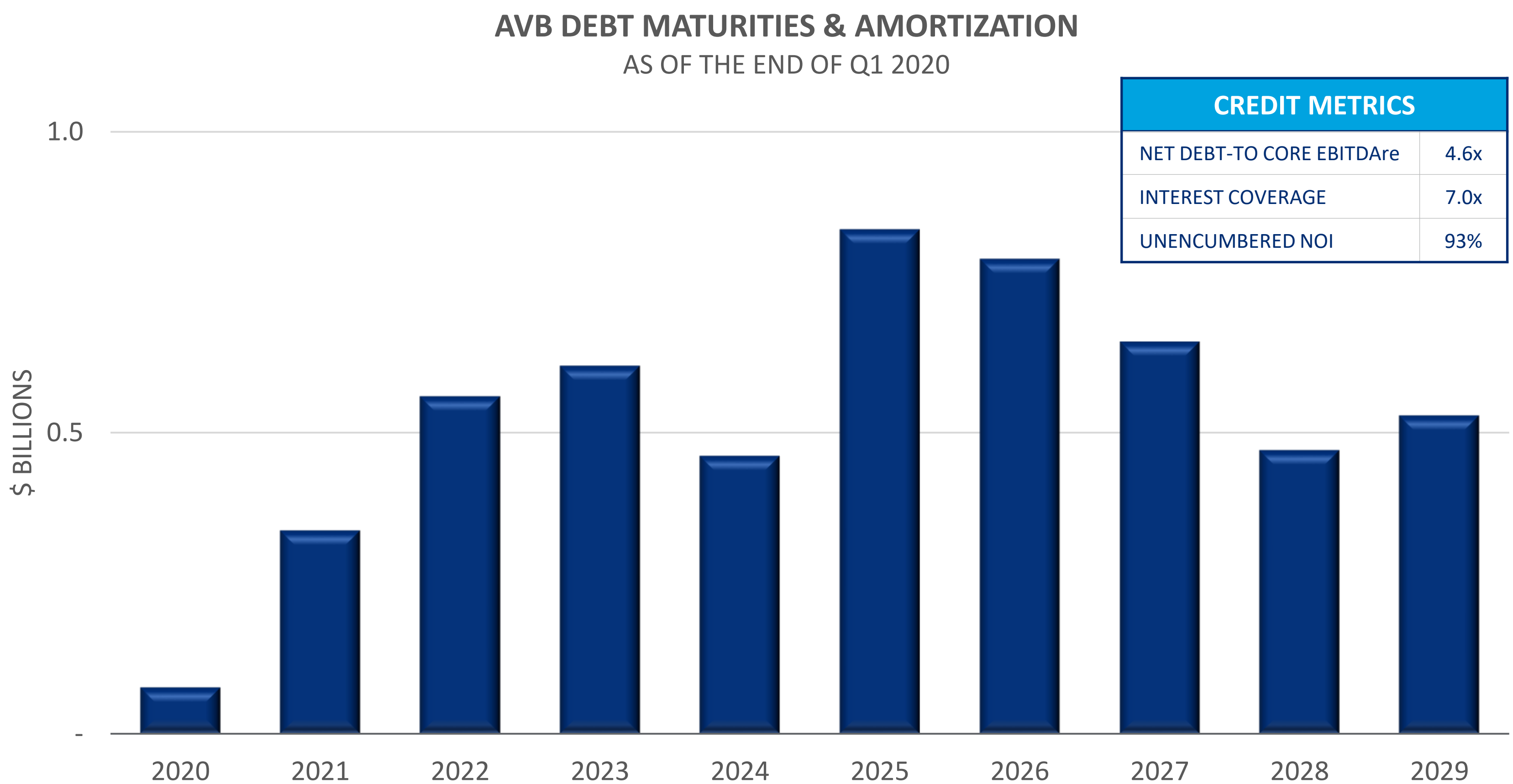
HEALTHY LIQUIDITY PROVIDES ENHANCED FINANCIAL FLEXIBILITY



Source: Company reports.

WELL-POSITIONED BALANCE SHEET



CREDIT METRICS	
NET DEBT-TO CORE EBITDAre	4.6x
INTEREST COVERAGE	7.0x
UNENCUMBERED NOI	93%

Source: Company reports.

Key takeaways

- Q1 results were solid and better-than-expected
- Received ≈ 96% of typical residential collections in April
- Construction proceeding at most development communities, although generally at a slower pace
- Development rights pipeline offers flexibility to take advantage of future market conditions
- Available liquidity well in excess of current development commitments; minimal near-term debt maturities

FORWARD-LOOKING STATEMENTS

- This presentation dated May 6, 2020 is provided in connection with AvalonBay's first quarter 2020 earnings conference call on May 7, 2020. This presentation is intended to accompany AvalonBay's earnings release dated May 6, 2020 and should be read in conjunction with the earnings release. AvalonBay does not intend to update any of these documents, which speak only as of their respective dates.

- The earnings release is available on AvalonBay's website at www.avalonbay.com/earnings

- For definitions, additional information and reconciliations of non-GAAP financial information and certain defined terms included in this presentation, see pages 16 to 22 in this presentation in addition to Attachment 12 to the earnings release.

- This presentation dated May 6, 2020 contains forward-looking statements, which are indicated by the use of words such as "expects," "projects," "forecast," "outlook," "estimate" and other words that do not relate to historical matters. Actual results may differ materially. For information concerning risks and other factors that could cause such differences, see "Forward Looking Statements" in AvalonBay's earnings release that accompanies this presentation. The Company does not undertake a duty to update the projections and expectations stated in this presentation, which speak only as of the date of this presentation unless otherwise referenced.

Definitions and reconciliations of non-GAAP financial measures and other terms

Availability is calculated as the number of apartment homes that are not leased during a specific time period divided by the total number of apartment homes (excluding model apartment homes and apartment homes that have been taken out of service).

Development Rights are development opportunities in the early phase of the development process for which the Company either has an option to acquire land or enter into a leasehold interest, for which the Company is the buyer under a long-term conditional contract to purchase land, where the Company controls the land through a ground lease or owns land to develop a new community, or where the Company is the designated developer in a public-private partnership. The Company capitalizes related pre-development costs incurred in pursuit of new developments for which the Company currently believes future development is probable.

Asset Densification Development Rights are when the Company develops additional apartment homes at existing stabilized operating communities the Company owns on land currently associated with those operating communities.

Conventional Development Rights are when the Company either has an option to acquire the land or enter into a leasehold interest, for which the Company is the buyer under a long-term conditional contract to purchase land, where the Company controls the land through a ground lease or owns the land to develop a new community.

Public-Private Partnership Development Rights are when the Company has (i) an option to acquire the land, (ii) an option to enter into a leasehold interest or (iii) entered into a long-term conditional contract to purchase the land, where the Company is the designated developer in a public-private partnership with a local government entity.

ADDITIONAL DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

EBITDA, EBITDAre and Core EBITDAre are considered by management to be supplemental measures of our financial performance. EBITDA is defined by the Company as net income or loss attributable to the Company before interest income and expense, income taxes, depreciation and amortization. EBITDAre is calculated by the Company in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"), as EBITDA plus or minus losses and gains on the disposition of depreciated property, plus impairment write-downs of depreciated property, with adjustments to reflect the Company's share of EBITDAre of unconsolidated entities. Core EBITDAre is the Company's EBITDAre as adjusted for noncore items outlined in the table below. By further adjusting for items that are not considered part of the Company's core business operations, Core EBITDAre can help one compare the core operating and financial performance of the Company between periods. A reconciliation of EBITDA, EBITDAre and Core EBITDAre to net income is as follows (dollars in thousands):

Net income	$ 168,006
Interest expense, net, inclusive of loss on extinguishment of debt, net	65,084
Income tax expense	91
Depreciation expense	177,911
EBITDA	$ 411,092
Gain on sale of communities	(24,436)
Joint venture EBITDAre adjustments	3,421
EBITDAre	$ 390,077
Gain on other real estate transactions	(43)
Advocacy contributions	301
Severance related costs	1,951
Development pursuit write-offs and expensed transaction costs, net	3,120
Gain on for-sale condominiums	(4,903)
For-sale condominium marketing and administrative costs	1,443
Legal settlements	43
Core EBITDAre	$ 391,989

AvalonBay COMMUNITIES

ADDITIONAL DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

Interest Coverage is calculated by the Company as Core EBITDAre, divided by the sum of interest expense, net, and preferred dividends, if applicable. Interest Coverage is presented by the Company because it provides rating agencies and investors an additional means of comparing our ability to service debt obligations to that of other companies. A calculation of Interest Coverage for the three months ended March 31, 2020 is as follows (dollars in thousands):

Core EBITDAre	$ 391,989
Interest expense, net	$ 55,914
Interest Coverage	7.0 times

FFO and Core FFO are considered by management to be supplemental measures of our operating and financial performance. FFO is calculated by the Company in accordance with the definition adopted by NAREIT. FFO is calculated by the Company as Net income or loss attributable to common stockholders computed in accordance with GAAP, adjusted for gains or losses on sales of previously depreciated operating communities, cumulative effect of a change in accounting principle, impairment write-downs of depreciable real estate assets, write-downs of investments in affiliates which are driven by a decrease in the value of depreciable real estate assets held by the affiliate and depreciation of real estate assets, including adjustments for unconsolidated partnerships and joint ventures. By excluding gains or losses related to dispositions of previously depreciated operating communities and excluding real estate depreciation (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help one compare the operating and financial performance of a company’s real estate between periods or as compared to different companies. Core FFO is the Company's FFO as adjusted for non-core items outlined in the table below. By further adjusting for items that are not considered part of our core business operations, Core FFO can help one compare the core operating and financial performance of the Company between periods. A reconciliation of Net income attributable to common stockholders to FFO and to Core FFO is presented on the following page (dollars in thousands):

ADDITIONAL DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

	Q1 2020	Q1 2019
Net income attributable to common stockholders	$ 167,971	$ 170,366
Depreciation - real estate assets, including joint venture adjustments	177,428	164,746
Distributions to noncontrolling interests	12	11
Gain on sale of previously depreciated real estate	(24,436)	(14,835)
FFO attributable to common stockholders	$ 320,975	$ 320,288
Adjusting items:		
Business interruption insurance proceeds	-	(172)
Loss on extinguishment of consolidated debt	9,170	280
Advocacy contributions	301	0
Severance related costs	1,951	19
Development pursuit write-offs and expensed transaction costs, net	3,120	277
Gain on for-sale condominiums	(4,903)	-
For-sale condominium marketing and administrative costs	1,443	473
For-sale condominium imputed carry cost	3,609	-
Gain on other real estate transactions	(43)	(267)
Legal settlements	43	(1,016)
Income tax expense (benefit)	91	(6)
Core FFO attributable to common stockholders	$ 335,757	$ 319,876
Average shares outstanding - diluted	140,777,873	138,832,201
Earnings per share - diluted	$ 1.19	$ 1.23
FFO per common share - diluted	$ 2.28	$ 2.31
Core FFO per common share - diluted	$ 2.39	$ 2.30

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Additional definitions and reconciliations of non-GAAP financial measures and other terms

Like-Term Effective Rent Change represents the percentage change in effective rent between two leases of the same lease term category for the same apartment. The Company defines effective rent as the contractual rent for an apartment less amortized concessions and discounts. Average Like-Term Effective Rent Change is weighted based on the number of leases meeting the criteria for new move-in and renewal like-term effective rent change. New move-in like-term effective rent change is the change in effective rent between the contractual rent for a resident who moves out of an apartment, and the contractual rent for a resident who moves into the same apartment with the same lease term category. Renewal like-term effective rent change is the change in effective rent between two consecutive leases of the same lease term category for the same resident occupying the same apartment.

Net Debt-to-Core EBITDAre is calculated by the Company as total debt (secured and unsecured notes and the Company's variable rate unsecured credit facility) that is consolidated for financial reporting purposes, less consolidated cash and cash in escrow, divided by annualized first quarter 2020 Core EBITDAre, as adjusted. A calculation of Net Debt-to-Core EBITDAre is as follows (dollars in thousands):

Total debt principal	$ 8,154,888
Cash and cash in escrow	(868,421)
Net debt	$ 7,286,467
Core EBITDAre	$ 391,989
Core EBITDAre, annualized	$ 1,567,956
Net Debt-to-Core EBITDAre	4.6 times

AvalonBay COMMUNITIES

ADDITIONAL DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

NOI is defined by the Company as total property revenue less direct property operating expenses (including property taxes), and excluding corporate-level income (including management, development and other fees), corporate-level property management and other indirect operating expenses, expensed transaction, development and other pursuit costs, net of recoveries, interest expense, net, loss (gain) on extinguishment of debt, net, general and administrative expense, joint venture (income) loss, depreciation expense, corporate income tax expense (benefit), casualty and impairment loss (gain), net, gain on sale of communities, (gain) loss on other real estate transactions, for-sale condominium marketing and administrative costs and net operating income from real estate assets sold or held for sale. The Company considers NOI to be an important and appropriate supplemental performance measure to Net Income of operating performance of a community or communities because it helps both investors and management to understand the core operations of a community or communities prior to the allocation of any corporate-level property management overhead or financing-related costs. NOI reflects the operating performance of a community and allows for an easier comparison of the operating performance of individual assets or groups of assets. In addition, because prospective buyers of real estate have different financing and overhead structures, with varying marginal impact to overhead as a result of acquiring real estate, NOI is considered by many in the real estate industry to be a useful measure for determining the value of a real estate asset or groups of assets. A reconciliation of NOI to Net Income, is as follows (dollars in thousands)

Net income	$ 168,006
Indirect operating expenses, net of corporate income	22,799
Expensed transaction, development and other pursuit costs, net of recove	3,334
Interest expense, net	55,914
Loss on extinguishment of debt, net	9,170
General and administrative expense	17,320
Joint venture (income) loss	(1,175)
Depreciation expense	177,911
Income tax expense (benefit)	91
Gain on sale of communities	(24,436)
Gain on other real estate transactions	(43)
Gain on for-sale condominiums, net of marketing and administrative cost:	(3,460)
NOI from real estate assets sold or held for sale	(896)
NOI	$ 424,535

AvalonBay COMMUNITIES

ADDITIONAL DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

Unencumbered NOI as calculated by the Company represents NOI generated by real estate assets unencumbered by outstanding secured notes payable as of March 31, 2020 as a percentage of total NOI generated by real estate assets. The Company believes that current and prospective unsecured creditors of the Company view Unencumbered NOI as one indication of the borrowing capacity of the Company. Therefore, when reviewed together with the Company's Interest Coverage, EBITDA and cash flow from operations, the Company believes that investors and creditors view Unencumbered NOI as a useful supplemental measure for determining the financial flexibility of an entity. A calculation of Unencumbered NOI for the three months ended March 31, 2020 is as follows (dollars in thousands):

NOI for Established Communities	$ 391,645
NOI for Other Stabilized Communities	23,496
NOI for Development/Redevelopment Communities	9,394
NOI from real estate assets sold or held for sale	896
Total NOI generated by real estate assets	425,431
NOI on encumbered assets	28,412
NOI on unencumbered assets	$ 397,019
Unencumbered NOI	93%