



PRESS RELEASE

For Immediate News Release
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AVALONBAY COMMUNITIES, INC. ANNOUNCES 2016 OPERATING RESULTS, 5.2% DIVIDEND INCREASE AND INITIAL 2017 FINANCIAL OUTLOOK

(Arlington, VA) AvalonBay Communities, Inc. (NYSE: AVB) (the “Company”) reported today that Net Income Attributable to Common Stockholders for the three months ended December 31, 2016 was \$242,235,000. This resulted in an increase in Earnings per Share – diluted (“EPS”) of 55.8% to \$1.76 for the three months ended December 31, 2016, from \$1.13 for the prior year period.

Funds from Operations attributable to common stockholders - diluted (“FFO”) per share for the three months ended December 31, 2016 increased 6.1% to \$2.09 from \$1.97 for the prior year period.

Core FFO per share (as defined in this release) for the three months ended December 31, 2016 increased 6.5% to \$2.12 from \$1.99 for the prior year period.

The increases in the Company's EPS, FFO per share and Core FFO per share were due to an increase in Net Operating Income (“NOI”) from newly developed and existing operating communities for the three months ended December 31, 2016 over the prior year period, partially offset by an increase in interest expense. The increases in EPS and FFO per share were also partially offset by a loss on extinguishment of debt. The change in EPS was also due to an increase in wholly-owned and joint venture real estate sales and related gains, partially offset by an increase in depreciation expense.

The following table compares the Company’s actual results for EPS, FFO per share and Core FFO per share for the fourth quarter of 2016 to its October 2016 outlook:

	Fourth Quarter 2016 Results Comparison to October 2016 Outlook		
	Per Share		
	EPS	FFO	Core FFO
Projected per share - October 2016 outlook (1)	\$ 1.80	\$ 2.09	\$ 2.11
Established Community NOI	—	—	—
Other community NOI	0.01	0.01	0.01
Depreciation expense, real estate gains (losses) and other	(0.05)	(0.01)	—
Q4 2016 per share reported results	\$ 1.76	\$ 2.09	\$ 2.12

(1) The mid-point of the Company's October 2016 outlook.

For the year ended December 31, 2016, EPS increased 36.5% to \$7.52 from \$5.51 for the prior year. For the year ended December 31, 2016, FFO per share increased 2.6% to \$8.26 from \$8.05 for the prior year. For the year ended December 31, 2016, Core FFO per share increased 8.5% to \$8.19 from \$7.55 for the prior year.

