

November 26, 2012



AvalonBay Communities Commences Common Stock Offering

ARLINGTON, Va.--(BUSINESS WIRE)-- **AvalonBay Communities, Inc. (NYSE: AVB)** announced today that it has commenced an underwritten public offering of 14,500,000 shares of its common stock. The Company expects to grant the underwriters a 30-day option to purchase up to 2,175,000 additional shares of common stock.

The Company expects to use the net proceeds from the offering to repay a portion of the debt that the Company will assume in connection with its previously announced pending acquisition of certain assets of Archstone Enterprise LP from Lehman Brothers Holdings Inc. (the "Archstone Acquisition"), to fund the cash consideration due in connection with the Archstone Acquisition, and to fund the fees, costs and expenses related thereto. If the Archstone Acquisition does not occur, the Company intends to use the net proceeds from the offering for general corporate purposes.

The offering is being made pursuant to an automatic shelf registration statement that became effective upon filing with the Securities and Exchange Commission on February 27, 2012. Goldman, Sachs & Co. is acting as lead book-running manager for the offering. A copy of the preliminary prospectus supplement and prospectus relating to these securities may be obtained by contacting Goldman, Sachs & Co., 200 West Street, New York, New York 10282, Attn: Prospectus Department or by calling toll-free 1-866-471-2526.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the common stock in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any offer or sale will be made only by means of a prospectus, a related preliminary prospectus supplement and, to the extent applicable, a free writing prospectus which has or will be filed with the Securities and Exchange Commission.

About AvalonBay Communities

AvalonBay Communities, Inc. is a real estate investment trust (a "REIT") focused on developing, redeveloping, acquiring and managing high-quality apartment communities in high barrier-to-entry markets of the United States. These markets are in the Northeast, Mid-Atlantic, Pacific Northwest, Northern California and Southern California. As of September 30,

2012, the Company owned or held a direct or indirect ownership interest in 205 apartment communities containing 60,101 apartment homes in nine states and the District of Columbia of which 22 communities were under construction and seven communities were under reconstruction.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to the financial condition, results of operations and businesses of the Company and the Archstone Acquisition. These forward-looking statements, which can be identified by the use of words such as “expects,” “plans,” “estimates,” “anticipates,” “projects,” “intends,” “believes,” “outlook” and similar expressions that do not relate to historical matters, are based on current expectations, forecasts and assumptions which may not be realized and involve risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated, that could cause actual outcomes and results, financial and otherwise, to differ materially, including statements related to the closing of the Archstone Acquisition and the size and intended use of proceeds of the offering. Risks and other factors related to the Company that might cause such differences include, among others, the following: we may abandon development or redevelopment opportunities for which we have already incurred costs; adverse capital market conditions may affect our access to various sources of capital and/or cost of capital, which may affect our business activities, earnings and common stock price, among other things; changes in local employment conditions, demand for apartment homes, supply of competitive housing products, and other economic conditions may result in lower than expected occupancy and/or rental rates and adversely affect the profitability of our communities; delays in completing development, redevelopment and/or lease-up may result in increased financing and construction costs and may delay and/or reduce the profitability of a community; debt and/or equity financing for development, redevelopment or acquisitions of communities may not be available or may not be available on favorable terms; we may be unable to obtain, or experience delays in obtaining, necessary governmental permits and authorizations; and increases in costs of materials, labor or other expenses may result in communities that we develop or redevelop failing to achieve expected profitability. Any forward-looking statements or forecasts relating to the business, prospects, operating statistics or financial results relating to the Archstone Acquisition are based on assumptions and are inherently speculative, are subject to substantial uncertainty, and the actual operating statistics and financial results may differ materially from the Company’s forecasts. Risks and other factors related to the Archstone Acquisition that might cause such differences include, among other things the following: the Archstone Acquisition may not close at the time or on the terms currently expected; assumptions concerning the availability and/or terms of financing, including among other things obtaining lender consents to the assumption of indebtedness, related to the Archstone Acquisition may not be realized; we may not be able to integrate the assets and operations acquired in the Archstone Acquisition in a manner consistent with our assumptions and/or we may fail to achieve expected efficiencies and synergies; we may encounter liabilities for which we are responsible that were unknown at the time we agreed to the Archstone Acquisition; our assumptions concerning risks relating to our lack of control of joint ventures and our ability to successfully dispose of certain assets may not be realized. In addition, the Company’s forecasts are subject to a variety of additional factors and risks, including the risks set forth under “Risk

Factors” in the Company’s Form 10-K, the Company’s preliminary prospectus supplement filed in connection with the financing of the Archstone Acquisition, and in the Company’s other periodic and Form 8-K filings with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or the occurrence of unanticipated events except as required by applicable law.

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Source: AvalonBay Communities, Inc.