

AvalonBay Communities, Inc.

For Immediate News Release
July 23, 2001

AVALONBAY COMMUNITIES, INC. ANNOUNCES SECOND QUARTER 2001 OPERATING RESULTS

(Alexandria, VA) AvalonBay Communities, Inc. (NYSE/PCX: AVB) reported today that Earnings per Share ("EPS") before gain on sale of communities for the quarter ended June 30, 2001 was \$.57 (diluted) compared to \$.45 (diluted) for the comparable period of 2000, a per share increase of 26.7%. For the six month period ended June 30, 2001, EPS before gain on sale of communities was \$1.11 (diluted) compared to \$.89 (diluted) for the comparable period of 2000, a per share increase of 24.7%. EPS (including gain on sale of communities) for the quarter ended June 30, 2001 was \$.57 (diluted), compared to \$0.61 (diluted) for the comparable period of 2000, a per share decrease of 6.6%. This decrease is primarily attributable to no asset sales in the second quarter of 2001. EPS per common share (diluted) for the six months ended June 30, 2001 was \$1.18 (diluted), compared to \$1.17 (diluted) for the comparable period of 2000.

Funds from Operations ("FFO") for the quarter was \$71,169,000 or \$1.02 per share (diluted) compared to \$60,970,000 or \$.90 per share (diluted) for the comparable period of 2000, a per share increase of 13.3%. FFO per share for the six months ended June 30, 2001 increased by 13.0% to \$2.00 from \$1.77 for the comparable period in 2000.

The Company will hold a conference call on July 24, 2001 at 11:00 AM Eastern Time (EST) to review these results. The domestic number to call to participate is 1-888-413-4411. The international number to call to participate is 1-703-871-3795. The domestic number to hear a replay of this call is 1-888-266-2086, and the international number to hear a replay of this call is 1-703-925-2435 - Access Code: 5339748. A webcast of the conference call will also be available at <http://www.avalonbay.com/earnings>, and an on-line playback of the webcast will be available for 30 days following the call.

Operating Results for the Quarter Ended June 30, 2001 Compared to the Prior Year Period

Total revenue increased by \$22,401,000, or 16.0% to \$162,359,000, and earnings before interest, income taxes, depreciation and amortization ("EBITDA") increased by \$14,092,000 or 15.6% to \$104,531,000. The overall increase in revenue and EBITDA is primarily attributable to newly developed and redeveloped communities as well as operating improvements related to Established Communities (as defined in the Attachments to this release).

2Q 01 Compared to 2Q 00				
	Established Communities			Total*
	Rental Revenue	Operating Expenses	NOI	% of NOI
No. California	14.4%	10.4%	15.5%	30.6%
So. California	9.2%	9.4%	9.2%	11.0%
Northeast	7.9%	5.6%	8.9%	33.1%
Mid-Atlantic	8.4%	9.4%	8.1%	13.7%
Midwest	4.6%	6.3%	3.6%	4.6%
Pacific NW	5.6%	9.1%	4.5%	7.1%
Total	<u>10.3%</u>	<u>8.4%</u>	<u>11.0%</u>	<u>100.0%</u>

* Total represents NOI from all communities.

For Established Communities, rental revenue increased 10.3%, comprised of rental rate growth of 12.1% and a decrease in economic occupancy of 1.8%. Total revenue at these communities increased \$9,989,000 to \$107,069,000 and operating expenses increased \$2,227,000, or 8.4%. Accordingly, net operating income ("NOI") at these communities increased by \$7,762,000 or 11.0%.

Operating Results for the Six Months Ended June 30, 2001 Compared to the Prior Year Period

Total revenue increased by \$43,070,000, or 15.7% to \$318,116,000, and EBITDA increased by \$25,499,000 or 14.3% to \$203,666,000. The overall increase in revenue and EBITDA is primarily attributable to newly developed and redeveloped communities as well as operating improvements related to Established Communities.

YTD 01 Compared to YTD 00				
	Established Communities			Total*
	Rental Revenue	Operating Expenses	NOI	% of NOI
No. California	16.3%	8.1%	18.8%	31.4%
So. California	9.4%	4.7%	11.5%	11.0%
Northeast	7.7%	6.1%	8.5%	33.0%
Mid-Atlantic	8.8%	10.2%	8.2%	13.7%
Midwest	5.0%	8.4%	3.0%	4.6%
Pacific NW	4.4%	(0.9%)	6.3%	6.3%
Total	<u>11.0%</u>	<u>7.4%</u>	<u>12.4%</u>	<u>100.0%</u>

* Total represents NOI from all communities.

For Established Communities, rental revenue increased 11.0%, comprised of rental rate growth of 12.3% and a decrease in economic occupancy of 1.3%. Total revenue at these communities increased \$21,155,000 to \$212,812,000 and operating expenses increased \$3,842,000, or 7.4%. Accordingly, NOI increased by \$17,313,000 or 12.4%.

Development and Redevelopment Activity

During the second quarter, the Company completed the construction of Avalon Bellevue (located in Bellevue, Washington) and Avalon at Florham Park (located in Florham Park, New Jersey). These communities, containing an aggregate of 472 apartment homes, were completed for a total investment of \$72.2 million. The Company also completed the redevelopment of Avalon at Cortez Hill, a 294 home high-rise apartment community located in downtown San Diego, California.

Also during the second quarter, the Company commenced construction on two development communities in the greater Boston area, Avalon Orchards (located in Marlborough, Massachusetts) and Avalon Ledges (located in Weymouth, Massachusetts). When completed, these communities will contain a total of 460 apartment homes with a projected total investment of \$59.4 million.

Recent Financing Activity

During May 2001, the Company completed a new unsecured credit facility. The terms of the credit facility are substantially the same as the Company's previous credit facility, which was due to mature in June 2001. The aggregate commitments from a consortium of lenders under the new facility total \$500 million. The new facility also includes an option that allows the Company to increase the facility size by \$150 million. Pricing under the facility remains LIBOR plus 0.60% per annum, with a competitive bid option available that may provide for lower pricing if market conditions allow. The new credit facility has a term of three years and includes a one-year extension at the Company's option.

Outlook

The Company expects EPS for 2001 of between \$2.91 and \$2.94. The Company expects FFO for 2001 of between \$4.08 and \$4.11 per share compared to the previous outlook of \$4.05 to \$4.09 provided in December 2000. For 2002, the Company expects FFO in the range of \$4.42 to \$4.48. No previous guidance was provided for 2002. See Attachment 13 in the supplemental information at the Company's website for additional details on the Company's revised financial outlook.

About AvalonBay Communities, Inc.

AvalonBay, named the National Association of Home Builders' Development Company of the year for 1998 and 1999, currently owns or holds an ownership interest in 141 apartment communities containing 42,232 apartment homes in twelve states and the District of Columbia, of which thirteen communities are under construction and three communities are under reconstruction. AvalonBay is an equity REIT in the business of developing, redeveloping, acquiring and managing luxury apartment communities in high barrier-to-entry markets of the United States. More information on AvalonBay may be found on AvalonBay's Website at <http://www.avalonbay.com>. For additional information, please contact Bryce Blair, President and Chief Executive Officer, at (703) 317-4652 or Thomas J. Sargeant, Executive Vice President and Chief Financial Officer, at (703) 317-4635.

Forward-Looking Statements

This release, including its attachments, 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. The forward-looking statements contained in this release are statements that are subject to certain risks and uncertainties, including, but not limited to, possible changes in demand for apartment homes, the effects of economic conditions, the impact of competition and competitive pricing, changes in construction costs, the results of financing efforts, potential acquisitions under agreement, the effects of the Company's accounting policies and other matters detailed in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements".

Definition of FFO

Management generally considers FFO to be an appropriate measure of the operating performance of the Company because it provides investors an understanding of the ability of the Company to incur and service debt and to make capital expenditures. FFO is determined based on a definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"), which may differ from the methodology for computing FFO used by other REITs, and, accordingly, the Company's calculation of FFO may not be comparable to the FFO reported by other REITs.

FFO does not represent cash generated from operating activities in accordance with GAAP. Therefore it should not be considered an alternative to net income as an indication of our performance. FFO should also not be considered an alternative to net cash flows from

operating activities as determined by GAAP as a measure of liquidity. Additionally, it is not necessarily indicative of cash available to fund cash needs.

Earnings Release Attachments

The Company produces Earnings Release Attachments (the "Attachments") that provide detailed information regarding operating, development, redevelopment, disposition and acquisition activity. These Attachments are available via the Company's website and through e-mail distribution. Access to the Attachments through

the Company's website is available at <http://www.avalonbay.com/earnings>. If you would like to receive future press releases via e-mail, please register through the Company's website at <http://www.avalonbay.com/website/PressRegistration.nsf>. Some items referenced in the earnings release may require the Adobe Acrobat 4.0 Reader. If you do not have the Adobe Acrobat 4.0 Reader, you may download it at the following website address: <http://www.adobe.com/products/acrobat/readstep.html>.

AvalonBay

COMMUNITIES, INC.

SECOND QUARTER 2001

Supplemental Operating and Financial Data



Avalon at Florham Park is the first multifamily rental development in Florham Park, New Jersey in nearly 40 years and offers residents luxury living in a colonial village setting through the use of a unique "neo-traditional" design.

This townhome community includes twenty different floorplans designed with signature Avalon Communities conveniences and amenities including attached garages, designer kitchens, and large walk-in closets.

Avalon at Florham Park residents can meet their neighbors or simply relax in the beautifully landscaped "Central Park," take a swim in the outdoor pool, workout in the fully-equipped fitness center or socialize in the clubhouse featuring a kitchen, big-screen television, stereo system and fireplace.

With all Avalon at Florham Park offers, residents will have more time for the things most important to them. We call that Time Well Spent.

SECOND QUARTER 2001

Supplemental Operating and Financial Data

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Attachment 1

AvalonBay Communities, Inc.
Selected Operating and Other Information
June 30, 2001
(Dollars in thousands except per share data)
(unaudited)

Selected Operating Information:	Q2 2001	Q2 2000	% Change	YTD 2001	YTD 2000	% Change
Net income available to common stockholders:	\$ 39,131	\$ 40,712	(3.9%)	\$ 80,785	\$ 77,939	3.7%
Per common share - basic	\$ 0.58	\$ 0.62	(6.5%)	\$ 1.20	\$ 1.18	1.7%
Per common share - diluted	\$ 0.57	\$ 0.61	(6.6%)	\$ 1.18	\$ 1.17	0.9%
Funds from Operations :	\$ 71,169	\$ 60,970	16.7%	\$ 138,868	\$ 119,584	16.1%
Per common share - basic	\$ 1.05	\$ 0.92	14.1%	\$ 2.05	\$ 1.80	13.9%
Per common share - diluted	\$ 1.02	\$ 0.90	13.3%	\$ 2.00	\$ 1.77	13.0%
Dividends declared - common:	\$ 43,464	\$ 37,215	16.8%	\$ 86,717	\$ 74,157	16.9%
Per common share	\$ 0.64	\$ 0.56	14.3%	\$ 1.28	\$ 1.12	14.3%
Total EBITDA	\$ 104,531	\$ 90,439	15.6%	\$ 203,666	\$ 178,167	14.3%
Common shares outstanding	67,912,560	66,455,699		67,912,560	66,455,699	
Outstanding units	671,083	855,090		671,083	855,090	
Total outstanding shares and units	<u>68,583,643</u>	<u>67,310,789</u>		<u>68,583,643</u>	<u>67,310,789</u>	
Average shares outstanding - basic	67,606,299	66,098,506		67,419,896	65,914,821	
Average units outstanding	671,083	933,384		670,947	951,339	
Effect of dilutive securities	1,192,266	861,628		1,276,419	634,045	
Average shares outstanding - diluted	<u>69,469,648</u>	<u>67,893,518</u>		<u>69,367,262</u>	<u>67,500,205</u>	

Debt Composition and Maturities

	Conventional		Tax-Exempt	
	Amt	% of Mkt Cap	Amt	% of Mkt Cap
Long-term notes:				
Variable rate	\$ --	--	\$ 67,960	1.2%
Fixed rate	1,360,040	25.0%	299,019	5.5%
Variable rate facility & short term note	161,822	3.0%	--	--
Total debt	<u>\$ 1,521,862</u>	<u>28.0%</u>	<u>\$ 366,979</u>	<u>6.7%</u>
Average interest rates ⁽¹⁾	7.2%		6.2%	
Combined average interest rate ⁽²⁾	6.9%			

	2001	2002	2003	2004	2005
Maturities ⁽²⁾	\$ 1,817	\$ 148,119	\$ 153,538	\$ 152,759	\$ 153,704

(1) Includes credit enhancement fees, facility fees, trustees, etc.

(2) Excludes \$500 million credit facility that, after all extensions, matures in 2005.

Community Information

	Communities	Apt Homes
Current Communities	128	38,552
Development Communities	13	3,680
Development Rights	34	9,890
Third-party management	1	377

Analysis of Capitalized Costs

	Q2 01	Q1 01	Q4 00	Q3 00	Q2 00
Cap Interest	\$ 6,522	\$ 5,597	\$ 5,416	\$ 5,255	\$ 4,163
Cap Overhead	\$ 4,726	\$ 4,921	\$ 5,371	\$ 4,027	\$ 4,180
Non-Revenue					
Cap/X per Home	\$ 50	\$ 16	\$ 111	\$ 31	\$ 71

Attachment 2**AvalonBay Communities, Inc.
Detailed Operating Information
June 30, 2001**(Dollars in thousands except per share data)
(unaudited)

	Q2 2001	Q2 2000	% Change	YTD 2001	YTD 2000	% Change
Revenue:						
Rental income	\$ 161,932	\$ 139,632	16.0%	\$ 317,261	\$ 274,417	15.6%
Management fees	318	252	26.2%	649	500	29.8%
Other income	109	74	47.3%	206	129	59.7%
Total	162,359	139,958	16.0%	318,116	275,046	15.7%
Operating Expenses:						
Property operating expenses and taxes	45,845	39,655	15.6%	88,396	77,851	13.5%
Other operating expenses - recurring	7,898	6,806	16.0%	17,945	13,178	36.2%
Total	53,743	46,461	15.7%	106,341	91,029	16.8%
Interest income	1,461	948	54.1%	3,277	1,968	66.5%
Interest expense	(25,313)	(20,363)	24.3%	(48,437)	(40,430)	19.8%
General and administrative	(3,743)	(3,285)	13.9%	(7,548)	(6,232)	21.1%
Joint venture income and minority interest	(342)	227	(250.7%)	(561)	382	(246.9%)
Depreciation	(32,161)	(31,209)	3.1%	(63,290)	(60,628)	4.4%
Income before gain on sale	48,518	39,815	21.9%	95,216	79,077	20.4%
Gain on sale of communities	--	10,842	(100.0%)	4,901	18,752	(73.9%)
Net income	48,518	50,657	(4.2%)	100,117	97,829	2.3%
Dividends attributable to preferred stock	(9,387)	(9,945)	(5.6%)	(19,332)	(19,890)	(2.8%)
Net income available to common stockholders	\$ 39,131	\$ 40,712	(3.9%)	\$ 80,785	\$ 77,939	3.7%
Net income per common share- basic	\$ 0.58	\$ 0.62	(6.5%)	\$ 1.20	\$ 1.18	1.7%
Net income per common share- diluted	\$ 0.57	\$ 0.61	(6.6%)	\$ 1.18	\$ 1.17	0.9%
Calculation of Funds from Operations ("FFO"):						
Net income available to common stockholders	\$ 39,131	\$ 40,712	(3.9%)	\$ 80,785	\$ 77,939	3.7%
Depreciation (real estate related)	31,377	30,453	3.0%	61,671	59,047	4.4%
Joint venture adjustments	269	196	37.2%	530	390	35.9%
Minority interest	392	451	(13.1%)	783	960	(18.4%)
Gain on sale of communities	--	(10,842)	(100.0%)	(4,901)	(18,752)	(73.9%)
FFO available to Common Stockholders	\$ 71,169	\$ 60,970	16.7%	\$ 138,868	\$ 119,584	16.1%
FFO per Common Share - Basic	\$ 1.05	\$ 0.92	14.1%	\$ 2.05	\$ 1.80	13.9%
FFO per Common Share - Diluted	\$ 1.02	\$ 0.90	13.3%	\$ 2.00	\$ 1.77	13.0%

Attachment 3

AvalonBay Communities, Inc.
Condensed Consolidated Balance Sheets
June 30, 2001
(Dollars in thousands)
(unaudited)

	June 30, 2001	December 31, 2000
Net real estate	\$ 4,001,894	\$ 3,781,376
Construction in progress (including land)	334,761	418,583
Total real estate, net	4,336,655	4,199,959
Cash and cash equivalents	14,169	57,234
Cash in escrow	8,504	16,733
Resident security deposits	20,474	18,281
Other assets	111,642	105,018
Total assets	<u>\$ 4,491,444</u>	<u>\$ 4,397,225</u>
Unsecured senior notes	\$ 1,335,000	\$ 1,335,000
Unsecured facility ⁽¹⁾	117,000	--
Notes payable	436,841	394,924
Other liabilities	212,340	175,307
Total liabilities	2,101,181	1,905,231
Minority interest	49,116	49,501
Stockholders' equity	2,341,147	2,442,493
Total liabilities and stockholders' equity	<u>\$ 4,491,444</u>	<u>\$ 4,397,225</u>

⁽¹⁾ Due to the timing of certain financing and investing activities, there were no outstanding borrowings under

Attachment 4

AvalonBay Communities, Inc.
Quarter to Date Revenue and Occupancy Changes - Established Communities ⁽¹⁾

June 30, 2001

	Apartment Homes	Average Rental Rates			Economic Occupancy ⁽²⁾			Rental Revenue (\$000's)		
		Q2 01	Q2 00	% Change	Q2 01	Q2 00	% Change	Q2 01	Q2 00	% Change
Northern California										
San Jose, CA	4,284	\$ 1,963	\$ 1,633	20.2%	94.9%	98.1%	(3.2%)	\$ 23,939	\$ 20,467	17.0%
Oakland, CA	2,090	1,489	1,265	17.7%	94.4%	98.3%	(3.9%)	8,807	7,736	13.8%
San Francisco, CA	1,477	1,904	1,695	12.3%	93.0%	97.7%	(4.7%)	7,850	7,294	7.6%
Northern California Average	7,851	1,826	1,546	18.1%	94.4%	98.1%	(3.7%)	40,596	35,497	14.4%
Southern California										
Orange County, CA	1,846	1,135	1,038	9.3%	95.8%	95.5%	0.3%	6,021	5,492	9.6%
San Diego, CA	376	1,210	1,091	10.9%	95.8%	97.5%	(1.7%)	1,308	1,198	9.2%
Los Angeles, CA	890	1,233	1,131	9.0%	95.9%	96.4%	(0.5%)	3,157	2,909	8.5%
Southern California Average	3,112	1,172	1,071	9.4%	95.8%	96.0%	(0.2%)	10,486	9,599	9.2%
Northeast										
Boston, MA	1,163	1,767	1,592	11.0%	97.0%	97.8%	(0.8%)	5,980	5,426	10.2%
Fairfield-New Haven, CT	1,444	1,534	1,426	7.6%	98.3%	98.3%	0.0%	6,531	6,068	7.6%
Northern New Jersey	773	2,651	2,456	7.9%	97.5%	98.3%	(0.8%)	5,991	5,592	7.1%
Central New Jersey	718	1,413	1,274	10.9%	96.7%	98.2%	(1.5%)	2,945	2,693	9.4%
Long Island, NY	421	1,966	1,840	6.8%	98.4%	99.6%	(1.2%)	2,442	2,313	5.6%
New York, NY	897	1,733	1,615	7.3%	97.7%	98.3%	(0.6%)	4,556	4,269	6.7%
Northeast Average	5,416	1,794	1,652	8.6%	97.6%	98.3%	(0.7%)	28,445	26,361	7.9%
Mid-Atlantic										
Washington, DC	4,243	1,406	1,277	10.1%	96.7%	98.3%	(1.6%)	17,307	15,952	8.5%
Baltimore, MD	1,054	1,037	954	8.7%	97.4%	98.0%	(0.6%)	3,188	2,950	8.1%
Mid-Atlantic Average	5,297	1,333	1,214	9.8%	96.8%	98.2%	(1.4%)	20,495	18,902	8.4%
Midwest										
Minneapolis, MN	1,104	1,033	989	4.5%	96.8%	96.1%	0.7%	3,312	3,148	5.2%
Chicago, IL	487	1,421	1,369	3.8%	95.6%	95.8%	(0.2%)	1,985	1,916	3.6%
Midwest Average	1,591	1,152	1,105	4.3%	96.3%	96.0%	0.3%	5,297	5,064	4.6%
Pacific Northwest										
Seattle, WA	486	1,233	1,158	6.5%	96.3%	97.2%	(0.9%)	1,730	1,638	5.6%
Pacific Northwest Average	486	1,233	1,158	6.5%	96.3%	97.2%	(0.9%)	1,730	1,638	5.6%
Average/Total Established	23,753	\$ 1,566	\$ 1,397	12.1%	96.0%	97.8%	(1.8%)	\$ 107,049	\$ 97,061	10.3%

(1) Established Communities are communities with stabilized operating costs as of January 1, 2000 such that a comparison of 2000 to 2001 is meaningful.

(2) Economic Occupancy reflects the percentage of Gross Potential Revenue that is earned from apartment homes that were occupied during the applicable quarter.

Attachment 5

AvalonBay Communities, Inc.
Year to Date Revenue and Occupancy Changes - Established Communities ⁽¹⁾
June 30, 2001

	Apartment Homes	Average Rental Rates			Economic Occupancy ⁽²⁾			Rental Revenue (\$000's)		
		YTD 01	YTD 00	% Change	YTD 01	YTD 00	% Change	YTD 01	YTD 00	% Change
Northern California										
San Jose, CA	4,284	\$ 1,938	\$ 1,598	21.3%	96.3%	98.1%	(1.8%)	\$ 47,957	\$ 40,135	19.5%
Oakland, CA	2,090	1,477	1,243	18.8%	94.8%	98.0%	(3.2%)	17,549	15,182	15.6%
San Francisco, CA	1,477	1,886	1,684	12.0%	94.2%	97.8%	(3.6%)	15,746	14,532	8.4%
Northern California Average	<u>7,851</u>	<u>1,805</u>	<u>1,521</u>	<u>18.7%</u>	<u>95.6%</u>	<u>98.0%</u>	<u>(2.4%)</u>	<u>81,252</u>	<u>69,849</u>	<u>16.3%</u>
Southern California										
Orange County, CA	1,846	1,130	1,032	9.5%	95.7%	96.1%	(0.4%)	11,981	10,977	9.1%
San Diego, CA	376	1,200	1,073	11.8%	96.7%	97.3%	(0.6%)	2,618	2,354	11.2%
Los Angeles, CA	890	1,221	1,126	8.4%	96.3%	95.5%	0.8%	6,279	5,749	9.2%
Southern California Average	<u>3,112</u>	<u>1,165</u>	<u>1,064</u>	<u>9.5%</u>	<u>96.0%</u>	<u>96.1%</u>	<u>(0.1%)</u>	<u>20,878</u>	<u>19,080</u>	<u>9.4%</u>
Northeast										
Boston, MA	1,163	1,740	1,570	10.8%	97.5%	97.7%	(0.2%)	11,833	10,699	10.6%
Fairfield-New Haven, CT	1,444	1,513	1,405	7.7%	98.4%	97.7%	0.7%	12,901	11,900	8.4%
Northern New Jersey	773	2,619	2,465	6.2%	97.9%	97.9%	0.0%	11,889	11,193	6.2%
Central New Jersey	718	1,388	1,262	10.0%	97.2%	98.1%	(0.9%)	5,816	5,329	9.1%
Long Island, NY	421	1,937	1,842	5.2%	98.8%	98.8%	0.0%	4,836	4,599	5.2%
New York, NY	897	1,708	1,584	7.8%	96.4%	98.6%	(2.2%)	8,862	8,389	5.6%
Northeast Average	<u>5,416</u>	<u>1,769</u>	<u>1,636</u>	<u>8.1%</u>	<u>97.7%</u>	<u>98.1%</u>	<u>(0.4%)</u>	<u>56,137</u>	<u>52,109</u>	<u>7.7%</u>
Mid-Atlantic										
Washington, DC	4,243	1,391	1,262	10.2%	96.5%	97.9%	(1.4%)	34,195	31,433	8.8%
Baltimore, MD	1,054	1,024	943	8.6%	97.4%	97.4%	0.0%	6,295	5,796	8.6%
Mid-Atlantic Average	<u>5,297</u>	<u>1,318</u>	<u>1,199</u>	<u>9.9%</u>	<u>96.7%</u>	<u>97.8%</u>	<u>(1.1%)</u>	<u>40,490</u>	<u>37,229</u>	<u>8.8%</u>
Midwest										
Minneapolis, MN	1,104	1,023	980	4.4%	97.2%	96.0%	1.2%	6,583	6,236	5.6%
Chicago, IL	487	1,421	1,358	4.6%	96.1%	96.6%	(0.5%)	3,988	3,832	4.1%
Midwest Average	<u>1,591</u>	<u>1,145</u>	<u>1,096</u>	<u>4.5%</u>	<u>96.7%</u>	<u>96.2%</u>	<u>0.5%</u>	<u>10,571</u>	<u>10,068</u>	<u>5.0%</u>
Pacific Northwest										
Seattle, WA	486	1,221	1,173	4.1%	96.7%	96.4%	0.3%	3,443	3,298	4.4%
Pacific Northwest Average	<u>486</u>	<u>1,221</u>	<u>1,173</u>	<u>4.1%</u>	<u>96.7%</u>	<u>96.4%</u>	<u>0.3%</u>	<u>3,443</u>	<u>3,298</u>	<u>4.4%</u>
Average/Total Established	<u>23,753</u>	<u>\$ 1,548</u>	<u>\$ 1,378</u>	<u>12.3%</u>	<u>96.4%</u>	<u>97.7%</u>	<u>(1.3%)</u>	<u>\$ 212,771</u>	<u>\$ 191,633</u>	<u>11.0%</u>

(1) Established Communities are communities with stabilized operating costs as of January 1, 2000 such that a comparison of 2000 to 2001 is meaningful.

(2) Economic Occupancy reflects the percentage of Gross Potential Revenue that is earned from apartment homes that were occupied during the applicable period.

Attachment 6

AvalonBay Communities, Inc.
Summary of Development, Redevelopment and Acquisition Activity as of June 30, 2001

		Number of Communities	Number of Homes	Dollar Value (millions)
Portfolio Additions:				
2000 Annual (Actual)				
Development		6	1,209	\$ 175.2
Redevelopment	(1)	4	--	40.3
Presale Communities	(2)	5	1,452	151.4
Total Additions		<u>15</u>	<u>2,661</u>	<u>\$ 366.9</u>
2001 Annual (Projection)				
Development		5	1,556	\$ 254.7
Redevelopment	(1)	1	--	10.2
Presale Communities	(2)	3	995	129.3
Total Additions		<u>9</u>	<u>2,551</u>	<u>\$ 394.2</u>
Pipeline Activity:				
Currently Under Construction				
Development Communities		13	3,680	\$ 726.1
Redevelopment Communities	(1)	3	--	64.1
Presale Communities		1	306	69.9
Subtotal		<u>17</u>	<u>3,986</u>	<u>\$ 860.1</u>
Planning				
Development Rights		<u>34</u>	<u>9,890</u>	<u>\$ 1,853.0</u>
Total Pipeline		<u>51</u>	<u>13,876</u>	<u>\$ 2,713.1</u>

(1) Represents only cost of redevelopment activity; does not include original acquisition cost or number of apartment homes acquired.

(2) Represents total acquisition cost. However, presale community costs were invested in the form of construction loans.

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Attachment 7

AvalonBay Communities, Inc.
Development Communities as of June 30, 2001

	# of Apt Homes	Budgeted Cost (1) (millions)	Schedule				Avg Rent Per Home (3)	% Comp (4)	% Leased (5)	% Occ (6)
			Start	Initial Occupancy	Complete	Stabilized Ops (2)				
Under Construction:										
1. Avalon at Edgewater Edgewater, NJ	408	\$ 75.6	Q3 1999	Q2 2001	Q2 2002	Q4 2002	\$ 2,303	12.0%	14.7%	3.9%
2. Avalon at Arlington Square I Arlington, VA	510	\$ 69.9	Q4 1999	Q4 2000	Q4 2001	Q2 2002	\$ 1,775	90.4%	69.0%	49.6%
3. Avalon on the Sound (7) New Rochelle, NY	412	\$ 92.1	Q4 1999	Q2 2001	Q4 2001	Q3 2002	\$ 2,516	59.5%	53.4%	43.9%
4. Avalon at Freehold Freehold, NJ	296	\$ 33.1	Q2 2000	Q3 2001	Q1 2002	Q3 2002	\$ 1,363	N/A	15.9%	N/A
5. Avalon Harbor Stamford, CT	323	\$ 60.7	Q3 2000	Q1 2002	Q4 2002	Q2 2003	\$ 2,192	N/A	N/A	N/A
6. Avalon Belltown Seattle, WA	100	\$ 19.2	Q3 2000	Q4 2001	Q1 2002	Q3 2002	\$ 1,939	N/A	N/A	N/A
7. Avalon Towers on the Peninsula Mountain View, CA	211	\$ 65.9	Q3 2000	Q1 2002	Q2 2002	Q4 2002	\$ 3,115	N/A	N/A	N/A
8. Avalon at Cahill Park San Jose, CA	218	\$ 50.5	Q4 2000	Q2 2002	Q3 2002	Q1 2003	\$ 2,683	N/A	N/A	N/A
9. Avalon Riverview I Long Island City, NY	372	\$ 102.5	Q4 2000	Q2 2002	Q4 2002	Q2 2003	\$ 2,970	N/A	N/A	N/A
10. Avalon at Mission Bay North San Francisco, CA	250	\$ 79.5	Q1 2001	Q4 2002	Q1 2003	Q3 2003	\$ 3,575	N/A	N/A	N/A
11. Avalon Oaks West Wilmington, MA	120	\$ 17.7	Q1 2001	Q1 2002	Q2 2002	Q4 2002	\$ 1,715	N/A	N/A	N/A
12. Avalon Ledges Weymouth, MA	304	\$ 37.7	Q2 2001	Q2 2002	Q1 2003	Q3 2003	\$ 1,645	N/A	N/A	N/A
13. Avalon Orchards Marlborough, MA	156	\$ 21.7	Q2 2001	Q1 2002	Q4 2002	Q2 2003	\$ 1,685	N/A	N/A	N/A
Subtotal	<u>3,680</u>	<u>\$ 726.1</u>								
Completed this Quarter:										
1. Avalon at Florham Park Florham Park, NJ	270	\$ 41.5	Q2 1999	Q1 2000	Q2 2001	Q3 2001	\$ 2,300	100.0%	98.5%	97.4%
2. Avalon Bellevue Bellevue, WA	202	\$ 30.7	Q4 1999	Q1 2001	Q2 2001	Q4 2001	\$ 1,585	100.0%	90.6%	85.1%
Subtotal	<u>472</u>	<u>\$ 72.2</u>								
Total	<u>4,152</u>	<u>\$ 798.3</u>								

Weighted Average Projected EBITDA as a % of Total Budgeted Cost (8) 10.3%

- (1) Total Budgeted Cost includes all capitalized costs projected to be incurred to develop the respective Development Community, including land acquisition costs, construction costs, real estate taxes, capitalized interest and loan fees, permits, professional fees, allocated development overhead and other regulatory fees determined in accordance with generally accepted accounting principles.
- (2) Stabilized operations is defined as the first full quarter of 95% or greater occupancy after completion of construction.
- (3) For communities not yet in lease-up, "Average Rent Per Home" reflects pro forma projections.
- (4) Includes apartment homes for which construction has been completed and accepted by management as of July 13, 2001.
- (5) Includes apartment homes for which leases have been executed or non-refundable deposits have been paid as of July 13, 2001.
- (6) Includes apartment homes occupied as of July 13, 2001.
- (7) This community will be developed under a joint venture structure with third party financing. AvalonBay's portion of the Budgeted Cost for this consolidated JV is projected to be \$13.3 million after project based debt.
- (8) Projected EBITDA represents management's estimate, as of the date of release of this information, of gross potential community-level earnings projected to be achieved for the first stabilized year following the completion of construction before interest, income taxes (if any), depreciation, amortization and extraordinary items, minus (a) projected economic vacancy and (b) projected stabilized operating expenses. Projected EBITDA does not include either a management fee or any allocation of corporate overhead and is not a measure that can be determined in accordance with GAAP. Management uses its determination of Projected EBITDA to help measure the projected impact that a community under construction may have on company-wide performance once such community is complete and achieves stabilization (i.e., a 95% rate of occupancy.) Projected EBITDA is also a tool that management uses to measure and compare the performance and projected performance of different communities. Projected EBITDA should not be considered as an alternative to operating income, as determined in accordance with GAAP, as an indicator of the Company's or a community's operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) as a measure of liquidity. Projected EBITDA, and in particular community-level EBITDA reflected here for these communities under development as well as completed this quarter, as disclosed by other REITs may not be comparable to the Company's calculation of EBITDA.

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Attachment 8

**AvalonBay Communities, Inc.
Redevelopment Communities (1) as of June 30, 2001**

	# of Apt Homes	Cost (in millions)		Schedule				Avg Rent Per Home	Number of Homes	
		Acquisition Cost	Total Budgeted Cost (2)	Acquisition	Start	Complete	Restabilized Ops (3)		Completed to date	Out of Service @ 6/30/01
Under Redevelopment:										
1. Avalon at Media Center Burbank, CA	748	\$ 55.3	\$ 75.3	Q2 1999	Q1 2000	Q1 2002	Q2 2002	\$ 1,114	569	62
2. Avalon at Prudential Center (4) Boston, MA	781	\$ 133.9	\$ 154.5	Q3 1998	Q4 2000	Q4 2002	Q2 2003	\$ 2,799	137	34
3. Avalon Terrace (5) Stamford, CT	388	\$ 37.5	\$ 61.0	Q4 1998	Q4 2000	Q3 2002	Q1 2003	\$ 1,241	186	37
Subtotal	1,917	\$ 226.7	\$ 290.8						892	133
Completed this Quarter:										
1. Avalon at Cortez Hill San Diego, CA	294	\$ 24.4	\$ 34.6	Q2 1999	Q1 2000	Q2 2001	Q3 2001	\$ 1,320	294	0
Subtotal	294	\$ 24.4	\$ 34.6						294	0
Total	2,211	\$ 251.1	\$ 325.4						1,186	133

Weighted Average Projected EBITDA
as a % of Total Budgeted Cost (6) 10.1%

- (1) Redevelopment Communities are communities acquired for which redevelopment costs are expected to exceed 10% of the original acquisition cost or \$5,000,000.
- (2) Total Budgeted Cost includes all capitalized costs projected to be incurred to redevelop the respective Redevelopment Community, including costs to acquire the community, reconstruction costs, real estate taxes, capitalized interest and loan fees, permits, professional fees, allocated redevelopment overhead and other regulatory fees determined in accordance with generally accepted accounting principles.
- (3) Restabilized operations is defined as the first full quarter of 95% or greater occupancy after completion of reconstruction.
- (4) The Acquisition Cost of \$133.9 million is comprised of the initial acquisition cost of \$130 million plus capital expenditures of \$3.9 million that were made following the acquisition and were unrelated to redevelopment costs.
- (5) This community will be redeveloped in a joint venture structure with third party financing. AvalonBay's portion of the Total Budgeted Cost for this unconsolidated joint venture is projected to be \$9.6 million after project based debt.
- (6) Projected EBITDA represents management's estimate, as of the date of release of this information, of gross potential community-level earnings projected to be achieved for the first stabilized year following the completion of construction before interest, income taxes (if any), depreciation, amortization and extraordinary items, minus (a) projected economic vacancy and (b) projected stabilized operating expenses. Projected EBITDA does not include either a management fee or any allocation of corporate overhead and is not a measure that can be determined in accordance with GAAP. Management uses its determination of Projected EBITDA to help measure the projected impact that a community under construction may have on company-wide performance once such community is complete and achieves stabilization (i.e., a 95% rate of occupancy.) Projected EBITDA is also a tool that management uses to measure and compare the performance and projected performance of different communities. Projected EBITDA should not be considered as an alternative to operating income, as determined in accordance with GAAP, as an indicator of the Company's or a community's operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) as a measure of liquidity. Projected EBITDA, and in particular community-level EBITDA reflected here for these communities under redevelopment as well as completed during the quarter, as disclosed by other REITs may not be comparable to the Company's calculation of EBITDA."

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Attachment 9

AvalonBay Communities, Inc.
Historical Development and Redevelopment Communities Yield Analysis as of June 30, 2001

Year of Development/Redevelopment Completion	Number of Communities	Number of Apartment Homes	Total Capital Cost (2) (millions)	EBITDA as % of Total Capital Costs (1)		
				Original Projection	Initial Year Stabilized Yield (3)	Current Actual or Projected (4)
<u>Development Communities</u>						
1994	3	958	\$ 67.6	11.4%	11.8%	16.9%
1995	3	777	84.4	9.6%	11.1%	16.6%
1996	6	866	70.6	10.0%	11.0%	15.7%
1997	8	2,672	331.9	10.1%	11.6%	14.8%
1998	6	2,175	263.2	10.6%	11.4%	14.3%
1999	10	2,335	391.6	10.1%	10.8%	12.3%
2000	6	1,209	175.2	10.4%	11.1%	11.8%
2001	3	634	92.7	10.8%	11.5%	11.5%
Total/Weighted Average	<u>45</u>	<u>11,626</u>	<u>\$ 1,477.2</u>	<u>10.3%</u>	<u>11.2%</u>	<u>13.7%</u>
<u>Redevelopment Communities</u>						
1995 (5)	2	406	\$ 23.6	9.8%	10.0%	17.3%
1996	6	1,689	114.9	9.6%	10.4%	16.5%
1997	9	2,037	196.1	9.8%	9.7%	12.9%
1998	8	1,969	195.7	9.5%	9.8%	12.1%
1999	13	4,051	385.5	9.2%	8.9%	8.8%
2000 / 2001	5	1,749	191.2	9.0%	10.5%	9.6%
Total/Weighted Average	<u>43</u>	<u>11,901</u>	<u>\$ 1,107.0</u>	<u>9.4%</u>	<u>9.6%</u>	<u>11.0%</u>

- (1) EBITDA represents management's estimate, as of the date of release of this information, of gross community-level earnings achieved at the communities whose development was completed during the indicated year, before interest, income taxes, depreciation, amortization and extraordinary items. EBITDA does not include a management fee or any allocation of corporate overhead and is not a measure that can be determined in accordance with GAAP. Management uses its determination of community-level EBITDA to help measure the impact that a community has on company-wide performance and to measure and compare the performance and projected performance of different communities. EBITDA should not be considered as an alternative to operating income, as determined in accordance with GAAP, as an indicator of the Company's or a community's operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) as a measure of liquidity. EBITDA, and in particular community-level EBITDA, as disclosed by other REITs may not be comparable to the Company's calculation of EBITDA.
- (2) Total capital cost includes all capitalized costs projected to be incurred to develop or redevelop the respective community, including land acquisition costs, construction costs, reconstruction costs, real estate taxes, capitalized interest and loan fees, permits, professional fees, allocated development overhead and other regulatory fees determined in accordance with generally accepted accounting principles ("GAAP").
- (3) Represents actual or projected yield for first full calendar year of stabilized operations.
- (4) Based on 2001 community operating budgets.
- (5) 1995 Redevelopment was adjusted to exclude Crossbrook which is included in 1999 Redevelopment completions.

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Attachment 10

AvalonBay Communities, Inc.
Summary of Development and Redevelopment Community Activity (1) as of June 30, 2001

DEVELOPMENT (2)					
	Apt Homes Completed & Occupied	Development Community Investments (3)	Value of Homes Completed & Occupied	Remaining to Invest (4)	Construction in Progress at Period End (5)
Total - 1999 Actual	2,914	\$ 284,809,671	\$ 479,246,499	\$ 214,054,515	\$ 130,487,438
2000 (Actual) :					
Quarter 1	297	\$ 37,274,054	\$ 41,341,864	\$ 177,624,766	\$ 125,101,865
Quarter 2	226	49,452,412	35,261,899	152,474,187	116,470,704
Quarter 3	215	70,713,999	28,637,488	236,169,563	175,497,569
Quarter 4	132	121,772,799	18,540,922	344,130,668	260,767,381
Total - 2000	870	\$ 279,213,264	\$ 123,782,173		
2001 :					
Quarter 1 (Actual)	300	\$ 57,470,918	\$ 42,917,063	\$ 385,741,788	\$ 277,080,921
Quarter 2 (Actual)	464	80,399,302	81,517,437	366,846,856	310,500,411
Quarter 3 (Projected)	569	94,847,104	96,312,905	271,999,752	250,732,800
Quarter 4 (Projected)	486	81,860,907	86,717,198	190,138,845	228,089,239
Total - 2001	1,819	\$ 314,578,231	\$ 307,464,603		

REDEVELOPMENT			
	Avg Homes Out of Service (6)	Redevelopment Community Investments (3)	Remaining to Invest (4) Reconstruction in Progress at Period End (5) (6)
Total - 1999 Actual		\$ 62,975,519	\$ 71,208,982 \$ 11,957,716
2000 (Actual) :			
Quarter 1	69	\$ 10,324,274	\$ 62,411,878 \$ 15,174,151
Quarter 2	128	13,636,144	48,962,434 21,608,208
Quarter 3	96	13,368,276	14,635,811 14,697,106
Quarter 4	117	10,460,963	33,558,647 23,561,778
Total - 2000		\$ 47,789,657	
2001 :			
Quarter 1 (Actual)	146	\$ 7,416,521	\$ 30,689,515 \$ 25,599,083
Quarter 2 (Actual)	96	6,971,789	23,753,732 24,260,594
Quarter 3 (Projected)	71	5,601,610	18,152,122 7,810,000
Quarter 4 (Projected)	71	5,500,971	12,651,151 7,810,000
Total - 2001		\$ 25,490,891	

- (1) Data is presented for all Historical and Current Development Communities; all Historical and Current Redevelopment Communities currently under construction; and those communities for which construction or reconstruction is expected to begin within the next 90 days. Does not include data for Presale Communities.
- (2) Projected Periods include data for consolidated joint ventures at 100%. The offset for joint venture partners' participation is reflected in the minority interest line items of the Financial Statements.
- (3) Represents amount incurred or expected to be incurred during the quarter.
- (4) Represents amount remaining by AvalonBay to invest on Current and Future Development/Redevelopment Communities under construction or reconstruction during the quarter and those for which construction or reconstruction is expected to begin within the next 90 days.
- (5) Represents period end balance of construction or reconstruction costs.
- (6) Projected periods do not include any data for unconsolidated joint ventures. Construction in Progress for unconsolidated joint ventures is reflected in Investment in Joint Ventures on the Company's Balance Sheet.

AvalonBay Communities, Inc.
Future Development and Presale Commitments as of June 30, 2001

DEVELOPMENT RIGHTS			
Location of Development Right		Estimated Number of Homes	Estimated Budgeted Cost (millions)
1. New Canaan, CT	(1) (2)	104	\$29
2. Seattle, WA		154	50
3. Westborough, MA		280	39
4. North Bethesda, MD		386	46
5. Arlington II, VA	(1)	332	43
6. Lawrence, NJ		312	43
7. Washington, D.C.	(1)	203	50
8. North Bethesda, MD		499	85
9. Glen Cove, NY		256	71
10. Andover, MA		136	21
11. Newton, MA		294	58
12. Darien, CT	(1)	189	39
13. Wilton, CT		113	24
14. Danbury, CT		253	36
15. Glendale, CA		223	49
16. Oakland, CA	(1)	176	36
17. Los Angeles, CA	(1)	309	59
18. San Francisco, CA		303	106
19. Kirkland, WA		213	49
20. Orange, CT	(1)	168	21
21. Bellevue, WA		330	61
22. Coram, NY		450	65
23. Washington, D.C.	(1)	144	30
24. Bedford, MA		128	19
25. Hingham, MA		270	44
26. Cohasset, MA		240	38
27. New Rochelle, NY Phase II and III		588	144
28. North Potomac, MD		520	61
29. Long Island City, NY Phase II and III		539	162
30. Stratford, CT		160	18
31. Milford, CT		284	35
32. Greenburgh, NY Phase II and III		766	139
33. Hopewell, NJ Phase I		280	40
34. Hopewell, NJ Phase II		288	43
Totals		9,890	\$1,853

PRESALE COMMITMENTS			
Community Name	Estimated Homes	Est. Budgeted Cost (millions)	Projected Closing Date
<u>Under Construction:</u>			
1. Avalon Greyrock (3) Stamford, CT	306	\$ 69.9	Q4 2002

(1) Company owns land, but construction has not yet begun.

(2) The land is currently owned by Town Close Associates Limited Partnership in which the Company is a majority partner. It is currently anticipated that the land seller will retain a minority limited partner interest.

(3) The acquisition of Avalon Greyrock will occur at completion of construction, there will be no investment in this asset prior to completion.

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Attachment 12

**AvalonBay Communities, Inc.
Summary of Disposition Activity as of June 30, 2001**

Community Name	Location	Gross Sales Price
<u>Q1 2000:</u>		
1. Avalon Chase	Marlton, NJ	\$ 29,700,000
<u>Q2 2000:</u>		
1. Avalon Pines	Virginia Beach, VA	11,000,000
2. Avalon Birches	Chesapeake, VA	<u>21,000,000</u>
Subtotal		32,000,000
<u>Q3 2000:</u>		
1. Glen Creek	Morgan Hill, CA	19,050,000
2. Avalon Woods	Richmond, VA	12,100,000
3. Governor's Square	Sacramento, CA	<u>30,250,000</u>
Subtotal		61,400,000
<u>Q4 2000:</u>		
1. Avalon Westhaven	Seattle, WA	12,625,000
2. Barrington Hills	Hayward, CA	<u>24,360,000</u>
Subtotal		36,985,000
2000 Total		<u><u>\$160,085,000</u></u>
<u>Q1 2001:</u>		
1. Crossbrook	Rohnert Park, CA	<u>23,250,000</u>
2001 Total		<u><u>\$23,250,000</u></u>
2000 and 2001 Total		<u><u>\$ 183,335,000</u></u>
Weighted Average Initial Year Market Cap Rate (1)		7.7%

(1) Based on the next 12 months NOI after adjustments for management fee (3.5%) and reserves (\$225/apt).

AvalonBay Communities, Inc.
Earnings Guidance
June 30, 2001

(Dollars in millions except per share data)

	2000A	<u>Annual</u> 2001E	2002E
Earnings per Share	\$2.53	\$ 2.91 to \$ 2.94	n/a
FFO per Share	\$3.70	\$ 4.08 to \$ 4.11	\$ 4.42 to \$ 4.48
Investment Activity			
Communities acquired	1	0	2
Acquisition cost	\$49	\$0	\$ 80 to \$ 120
Community sales	8	6	7
Gross sales price	\$160	\$ 215 to \$ 230	\$ 225 to \$ 250
Cap rate on dispositions	7.8%	8.0% - 8.5%	8.0% - 8.5%
Development starts	\$332	\$ 400 to \$ 450	\$ 350 to \$ 390
Development completions	\$175	\$255	\$ 350 to \$ 390
Development initial year stabilized yield	11.1%	10.8%	10.1%
Development investments	\$279	\$315	\$ 480 to \$ 520
Presale completions	\$151	\$129	\$70
Presale investments	\$73	\$6	\$70
Redevelopment starts	\$74	\$0	n/a
Redevelopment completions	\$40	\$10	n/a
Redevelopment initial year stabilized yield	10.8%	10.0%	n/a
Redevelopment investments	\$48	\$26	n/a
Financing Assumptions			
Debt offerings -- new	\$350	\$0	\$200
- Weighted average interest rate	7.82%	n/a	TBD
Debt refinancings	\$0	\$0	\$100
- Current rate of refinanced debt	n/a	n/a	7.375%