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## **AvalonBay Communities Announces Acquisition Activity**

ARLINGTON, Va.--(BUSINESS WIRE)-- AvalonBay Communities, Inc. (NYSE: AVB) announced today the acquisition of three apartment communities: Canyonwoods, a community of 140 apartment homes located in Lake Forest, CA (Orange County), Fox Run, a community of 776 apartment homes located in Plainsboro, New Jersey (adjacent to Princeton, NJ) and Waterstone Carlsbad, a community of 450 apartment homes located in Carlsbad, California (San Diego County). The communities were acquired by AvalonBay Value Added Fund II, L.P. ("Fund II"), a private, discretionary investment vehicle in which AvalonBay Communities, Inc. has a 31% equity interest. Canyonwoods was acquired in November 2010 for \$24.7 million, Fox Run was acquired in December 2010 for \$86.5 million and Waterstone Carlsbad was acquired in January 2011 for \$78.1 million.

Canyonwoods is located in south Orange County near the Irvine Spectrum, a major employment, retail and entertainment center. Convenient to the Interstate 5 and Interstate 405 freeways, residents have access to employers throughout Los Angeles and Orange Counties. Completed in 1978, Canyonwoods will complement AvalonBay's Orange County portfolio by location and price point.

Fox Run is located in the heart of Central New Jersey's Life Science/Technology corridor and is within walking distance to downtown Plainsboro, a vibrant village center. Completed in 1973, many of the apartment interiors at Fox Run were extensively renovated between 2003 and 2010. AvalonBay plans to complete interior upgrades to the remaining unrenovated apartments. Fox Run represents the first Fund II acquisition completed in New Jersey.

Waterstone Carlsbad is located in the coastal community of Carlsbad, about 35 miles north of San Diego. Ranked as one of the Best Places to Live by CNN Money Magazine, Carlsbad is a desirable, upper-income city characterized by high home prices and constraints on new multifamily rental development. Waterstone Carlsbad was completed in two phases from 1985-1986. AvalonBay plans to complete upgrades to the remaining apartments not included in a renovation program underway from 2006-2009.

With these three acquisitions, Fund II has now acquired a total of nine communities consisting of 3,936 apartment homes for a total acquisition cost of \$569 million. Fund II has equity commitments totaling \$400 million and can employ leverage up to 65%, allowing for

an investment capacity of approximately \$1.1 billion. Fund II will acquire and operate multifamily apartment communities in AvalonBay's high barrier-to-entry markets of the Northeast, Mid-Atlantic and West Coast regions of the U.S. with the objective of creating value through redevelopment, enhanced operations and/or improving market fundamentals.

About AvalonBay Communities, Inc.

As of September 30, 2010, AvalonBay Communities, Inc. owned or held a direct or indirect ownership interest in 179 apartment communities containing 52,490 apartment homes in ten states and the District of Columbia, of which twelve communities were under construction and seven communities were under reconstruction. AvalonBay is an equity REIT in the business of developing, redeveloping, acquiring, and managing apartment communities in high barrier-to-entry markets of the United States. More information on AvalonBay, an S&P 500 listed company, may be found on AvalonBay's website at <http://www.avalonbay.com>.

Source: AvalonBay Communities, Inc.