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AvalonBay Communities, Inc. Statement on Hurricane Sandy

ARLINGTON, Va.--(BUSINESS WIRE)-- **AvalonBay Communities, Inc. (NYSE: AVB)** reported today that Hurricane Sandy impacted several apartment communities in its Northeast portfolio. Six communities were evacuated, five of which have returned to normal operations. One community in Long Beach, New York, containing 109 apartment homes, will remain unoccupied until all services are restored and the appropriate government approvals permitting occupancy are received.

Based on preliminary damage assessments and potential rent abatements, the Company estimates that the out-of-pocket cost to repair damages may total \$5 to \$7 million after considering insurance reimbursements. The impact to fourth quarter earnings is likely to be less due to the fact some of the damaged assets have been partially or fully depreciated. In the event of a material change in potential costs the Company will provide a revised estimate.

About AvalonBay Communities, Inc.

AvalonBay is in the business of developing, redeveloping, acquiring, and managing apartment communities in high barrier-to-entry markets of the United States. 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.

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