AvalonBay
COMMUNITIES

INVESTOR RELATIONS UPDATE

SECOND QUARTER 2025

JUNE 2, 2025

Avalon Somerville Station
Somerville, NJ

IMPORTANT INFORMATION

See Appendix for information about forward-looking statements and definitions and reconciliations of non-GAAP financial measures and other terms. For the reasons described in the referenced forward-looking statements our historical results may not be indicative of future results.

The projections for AvalonBay Communities, Inc. included in this presentation were originally included in its April 30, 2025, earnings release, or its May 1, 2025, earnings conference call, both of which are available under "Investor Relations" at www.avalonbay.com. These projections are provided for historical reference and have not been reviewed or updated for purposes of this presentation, and the inclusion of these projections in this presentation is not a reaffirmation of these projections or a confirmation with respect to the accuracy of the projections as of any date after the date of the earnings release or the date of the earnings conference call, as applicable. The projections were based on the expectations, forecasts, and assumptions on the date of the earnings release or the date of the earnings conference call, as applicable, which may not be realized and/or may have changed since that date and involve risks and uncertainties that might not be anticipated or could not be predicted accurately. These could cause these projections to be inaccurate as of any date after the date of the earnings release or the date of the earnings conference call, as applicable, and may also cause actual results to differ materially from those expressed or implied by the projections, as described in "Forward-Looking Statements" in the Appendix.

AvalonBay does not undertake a duty to update any projections or other forward-looking statements contained in this presentation, including but not limited to its expected 2025 operating results and other financial and economic data forecasts. AvalonBay may, in its discretion, provide information in future public announcements regarding its outlook that may be of interest to the investors, analysts and other members of the financial and investment communities. The format and extent of future outlooks may be different from the format and extent of the information contained in this presentation.

AvalonBay files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). Our SEC filings are available to the public free of charge from the SEC website at www.sec.gov and on our website at the address above. You should read this presentation in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2024, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, and Current Reports on Form 8-K and other reports and documents we file with the SEC after the date of this presentation before you make any investment decisions involving AvalonBay and its securities.

The date of this presentation is June 2, 2025.

2Q25 SAME STORE OPERATING UPDATE

The Company provided the following Same Store Residential operating information[(1)]:

→ Revenue for the two months ended May 31, 2025 increased **3.0%** over the prior year period, which is **approximately 35 basis points above the Company's expectation** for revenue growth for this two-month period when the Company published its outlook for full year 2025 revenue growth on February 5, 2025. **This outperformance is primarily attributable to better-than-expected occupancy and other rental revenue.**

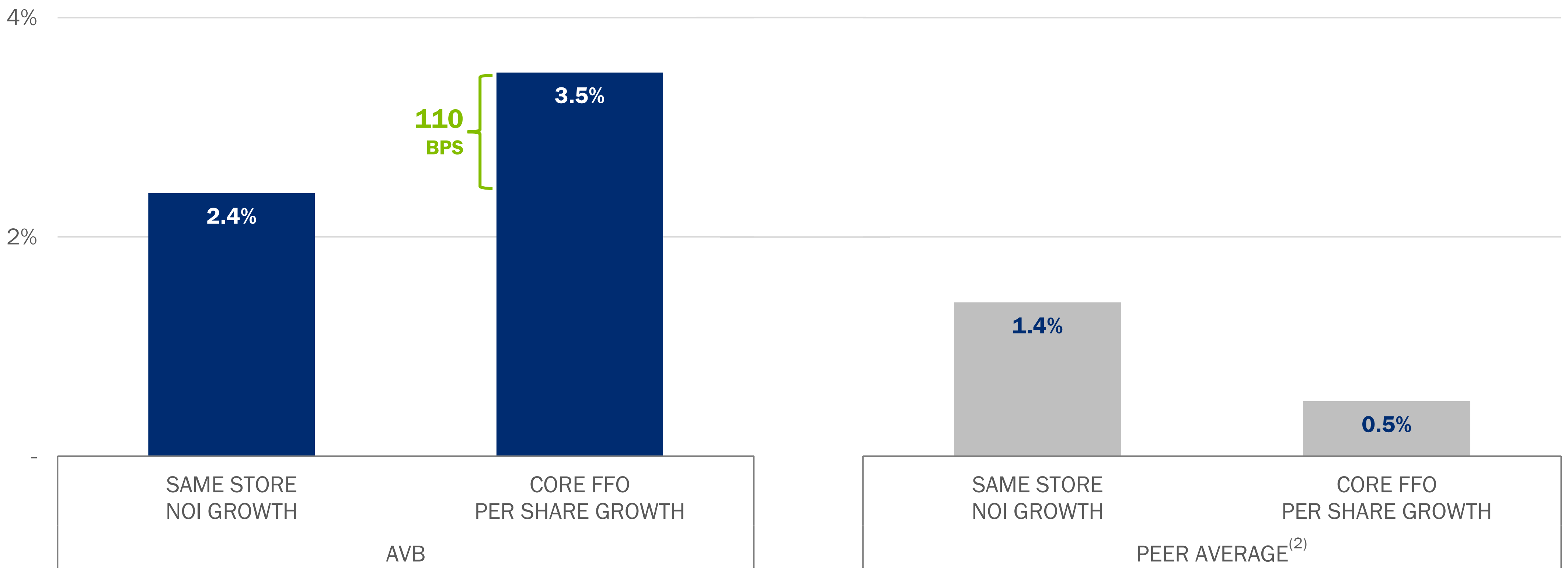
	1Q25	APRIL & MAY '25
ECONOMIC OCCUPANCY	96.0%	96.3%
LIKE-TERM EFFECTIVE RENT CHANGE	1.7%	2.3%

Avalon Westminster Promenade
Broomfield, CO

Source: Internal company reports.
See Appendix for definitions of Economic Occupancy, Like-Term Effective Rent Change, Residential, and Same Store.
(1) Revenue growth, Economic Occupancy, and Like-Term Effective Rent Change for April & May 2025 reflect actual results for April and management's expectations for May, based on data available as of June 1, 2025.

AVB 2025 OUTLOOK IMPLIES SECTOR LEADING CORE FFO GROWTH; ONLY APARTMENT REIT PEER WITH CORE FFO GROWTH > SAME STORE NOI GROWTH

2025 SAME STORE RESIDENTIAL NOI AND CORE FFO PER SHARE OUTLOOKS[1]



Source: Company reports, S&P Capital IQ

(1) AVB Outlook as of February 5, 2025, which was reaffirmed on April 30, 2025; Peer Outlooks based on most recent publicly available full year 2025 guidance midpoints as of June 1, 2025, for Projected Core FFO per share growth and Same Store Residential revenue growth (or the equivalent metrics).

(2) Peer group consists of EQR, ESS, UDR, CPT and MAA weighted by enterprise value as of 3/31/2025.

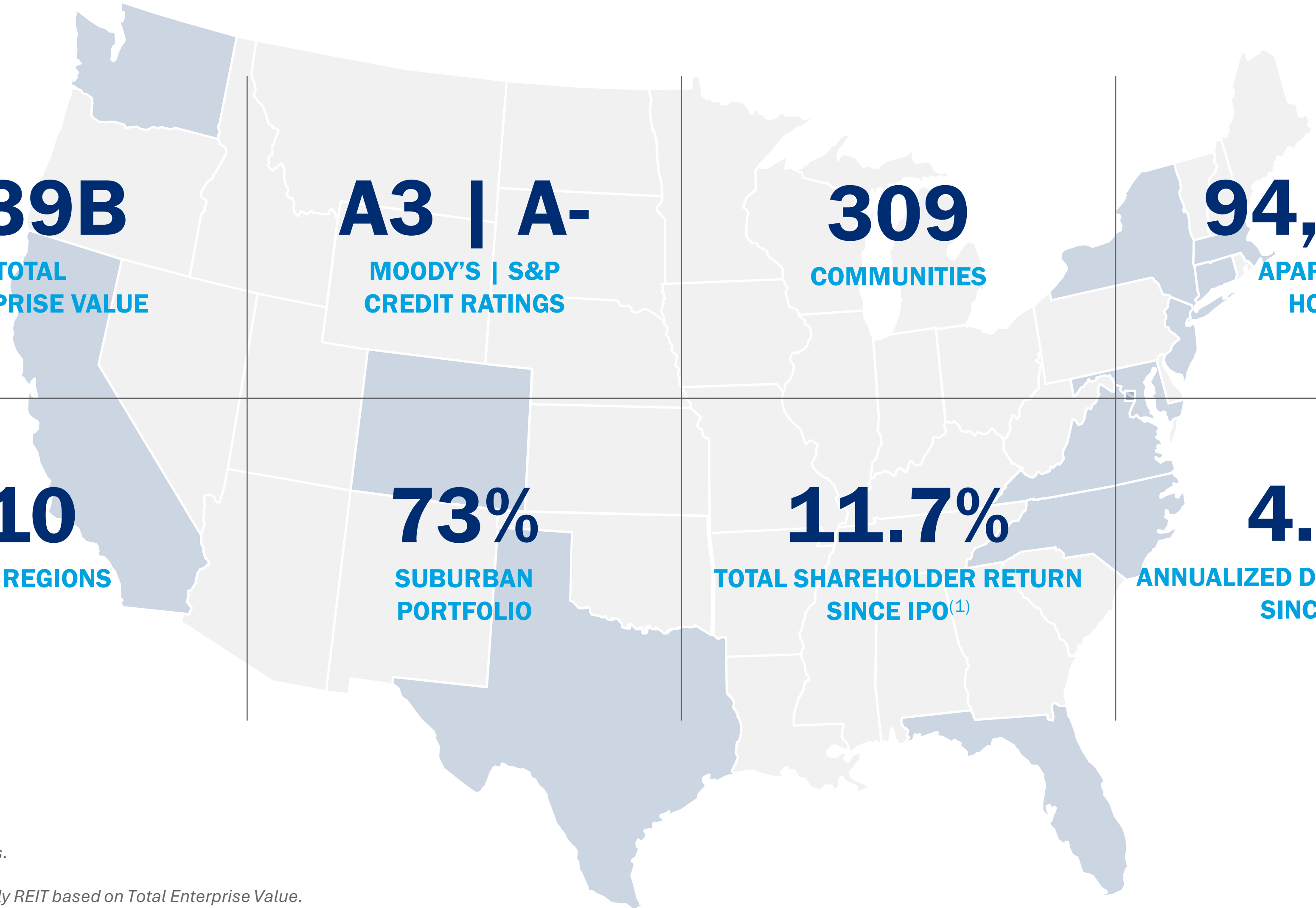
AvalonBay
COMMUNITIES

ABOUT AVALONBAY

Avalon Redmond Campus
Redmond, WA

LARGEST PUBLICLY-TRADED MULTIFAMILY REIT; S&P 500 COMPANY WITH STRONG SHAREHOLDER RETURNS

AvalonBay COMMUNITIES



$39B TOTAL ENTERPRISE VALUE	**A3 | A-** MOODY'S | S&P CREDIT RATINGS	**309** COMMUNITIES	**94,865** APARTMENT HOMES
10 U.S. REGIONS	**73%** SUBURBAN PORTFOLIO	**11.7%** TOTAL SHAREHOLDER RETURN SINCE IPO(1)	**4.8%** ANNUALIZED DIVIDEND GROWTH SINCE 2000

Source: Internal company reports.
Data as of March 31, 2025.
Largest publicly-traded multifamily REIT based on Total Enterprise Value.
See Appendix for a definition and reconciliation of Total Enterprise Value, a discussion of the Company's credit ratings, and an explanation of the Total Shareholder Return and Dividend Growth calculations.
(1) IPO (initial public offering) for Avalon Properties completed November 18, 1993

30-YEARS OF OUTSTANDING GROWTH AS INDUSTRY LEADER

AvalonBay COMMUNITIES

1993	AVALON PROPERTIES IPO
1998	AVALON & BAY MERGER
2007	JOINS S&P 500 CENTRALIZED CUSTOMER CARE CENTER OPENS
2011	FIRST ESG REPORT
2013	ARCHSTONE ACQUISITION
2017	EXPANDS TO DENVER & SOUTHEAST FLORIDA
2021	EXPANDS TO CHARLOTTE, RALEIGH-DURHAM, DALLAS-FORT WORTH, & AUSTIN

HUMAN RIGHTS CAMPAIGN FOUNDATION EQUALITY 100 2023 2024 Leader in LGBTQ+ Workplace Inclusion

Nareit Leader in the Light 2022 ESG Award Winner

100 Best Corporate Citizens 2023

GRESB REAL ESTATE sector leader 2022

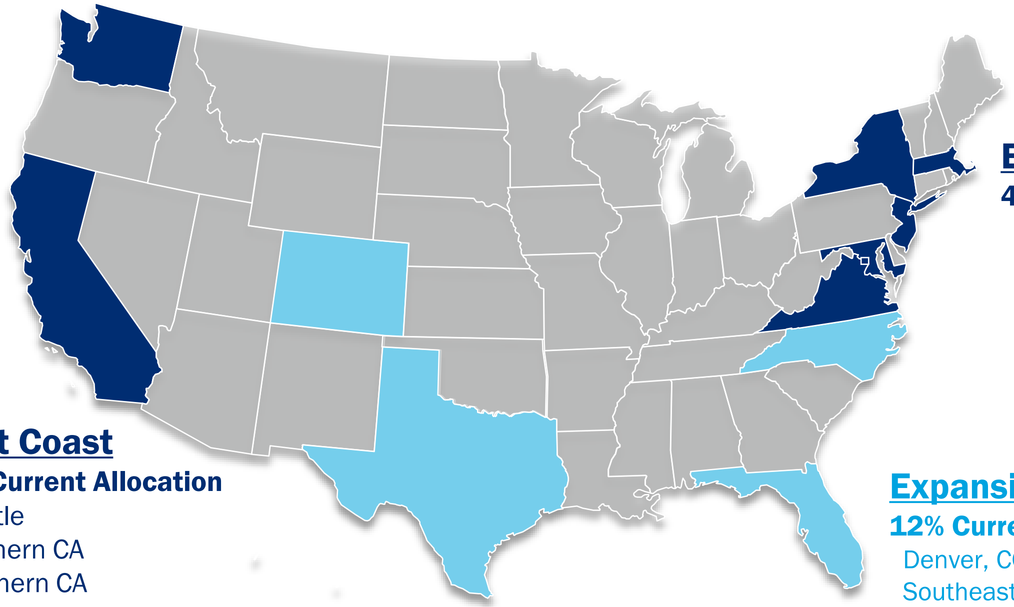
CDP DISCLOSURE INSIGHT ACTION

2024 AGC DIVERSITY & INCLUSION AWARDS Willis Towers Watson

Source: Internal company reports.

DIVERSIFIED PORTFOLIO ACROSS LEADING MARKETS AND SUBMARKETS, AND ACROSS PRODUCT TYPES AND PRICE POINTS

Regional Allocation

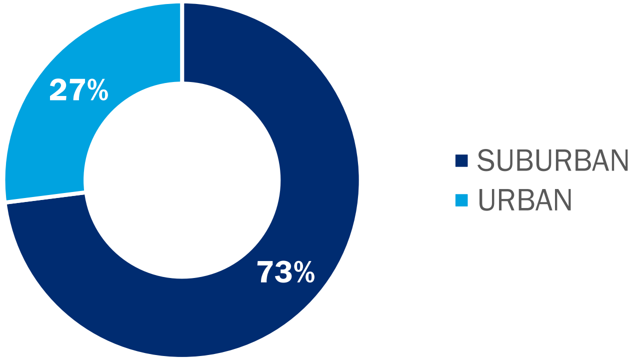


West Coast
41% Current Allocation
Seattle
Northern CA
Southern CA

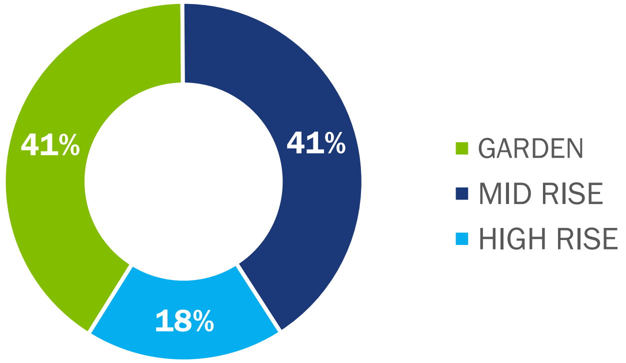
East Coast
47% Current Allocation
Boston
Metro NY/NJ
Mid-Atlantic

Expansion Regions
12% Current Allocation
Denver, CO
Southeast FL
Charlotte & Raleigh-Durham, NC
Austin & Dallas, TX

Submarket Allocation



Product Type



Source: Internal company reports.
See Appendix for a discussion of the Company's Current Allocation.

POSITIONED FOR CONTINUED GROWTH IN 2025

Strategic Focus Areas To Deliver Superior Growth

1. **INNOVATE AND TRANSFORM OPERATIONS**
   Driving Incremental NOI
2. **OPTIMIZE PORTFOLIO ALLOCATION AND PERFORMANCE**
   Positioning for continued growth
3. **GROW BY LEVERAGING DEVELOPMENT CAPABILITIES**
   Generating accretive external growth
4. **LEVERAGE GROWTH-ORIENTED BALANCE SHEET**
   Ensuring continuous access to cost effective capital

Avalon Montville
Pine Brook, NJ

❶ INNOVATE AND TRANSFORM OPERATIONS

DELIVERED $39M OF ANNUAL INCREMENTAL NOI THROUGH YEAR-END 2024 AND PROJECTING ANOTHER $9M IN 2025; ADVANCING TOWARD $80M TARGET

KEY OPERATING INITIATIVES

Create an efficient operating platform that delivers excellent service and NOI growth

STRATEGIC PRIORITIES: ACCOMPLISHMENTS & NEXT STEPS

DELIVER SEAMLESS, DIGITAL, SELF-SERVE EXPERIENCES

Align with customer expectations & reduce staff involvement

- Fully digitally enabled self-guided touring
- Application & lease signing
- Renewals
- *Resident App*
- *Parking*

IMPLEMENT NEIGHBORHOOD & CENTRALIZED STAFFING MODELS

Leverage market scale & long-standing Customer Care Center capabilities to drive efficiency

- Expanding neighborhoods to include more communities
- New centralized functions: renewals, leasing / sales support

ACCELERATE AI SOLUTIONS

Automate key tasks for efficiency

- Virtual leasing assistant
- *Back-office automation (RPA)*
- *Collections*
- *Voice AI*
- *Associate Resource Assistant*

VALUE-ADD RESIDENT SERVICES

Generate income and enable digital service experiences

- Bulk Wifi at 90% of communities
- *Smart Access at 70% of communities*

Items in italics are in-progress

IMPACT

→ **Reduced FTEs by ≈ 15%** from onsite staff and regional overhead from 2021 baseline

→ **Deployed Neighborhood model** to 70% of portfolio at YE24

For Same Store Communities:

→ **Delivered Other Rental Revenue Growth of 14% in 2024,** with 9% forecasted in 2025

→ **Payroll growth rate flat in 2024,** and declined by 4% in 2023

Source: Internal company reports.
See Appendix for an explanation of Incremental NOI.

❷ OPTIMIZE PORTFOLIO ALLOCATION AND PERFORMANCE

ADVANCING OUR PORTFOLIO OPTIMIZATION OBJECTIVES; $620M IN TEXAS ACQUISITIONS ENHANCES SCALE AT COMPELLING BASIS

AvalonBay COMMUNITIES

Suburban Allocation

70% → **73%** → **80%**

Year-End 2023 | Current Allocation | Target Allocation

Expansion Region Allocation

8% → **12%** → **25%**

Year-End 2023 | Current Allocation | Target Allocation

FY 2024 & 2025 YTD Transaction Activity(1)

Acquisitions		Dispositions
$1.1B	VOLUME ($)	$955M
$260K	PRICE PER HOME	$465K(2)
100% | -- %	SUBURBAN | URBAN	50% | 50%

$620M Texas Acquisition

5.1%
Projected Stabilized Yield

$229k
Price per home

11 yrs.
Avg. Age
6 of 8 assets < 10 years old

Source: Internal company reports.
See Appendix for a discussion of the Company's Current and Target Allocation.
See the Company's press release dated February 27, 2025 for additional details regarding the Company's Texas acquisitions.
(1) Reflects activity through April 30, 2025
(2) Excludes value allocated to commercial space

③ GROW BY LEVERAGING DEVELOPMENT CAPABILITIES

$3B OF DEVELOPMENT UNDERWAY FULLY MATCH-FUNDED AND EXPECTED TO DRIVE INCREMENTAL EARNINGS AND VALUE CREATION AS OCCUPANCIES RAMP

KEY METRICS

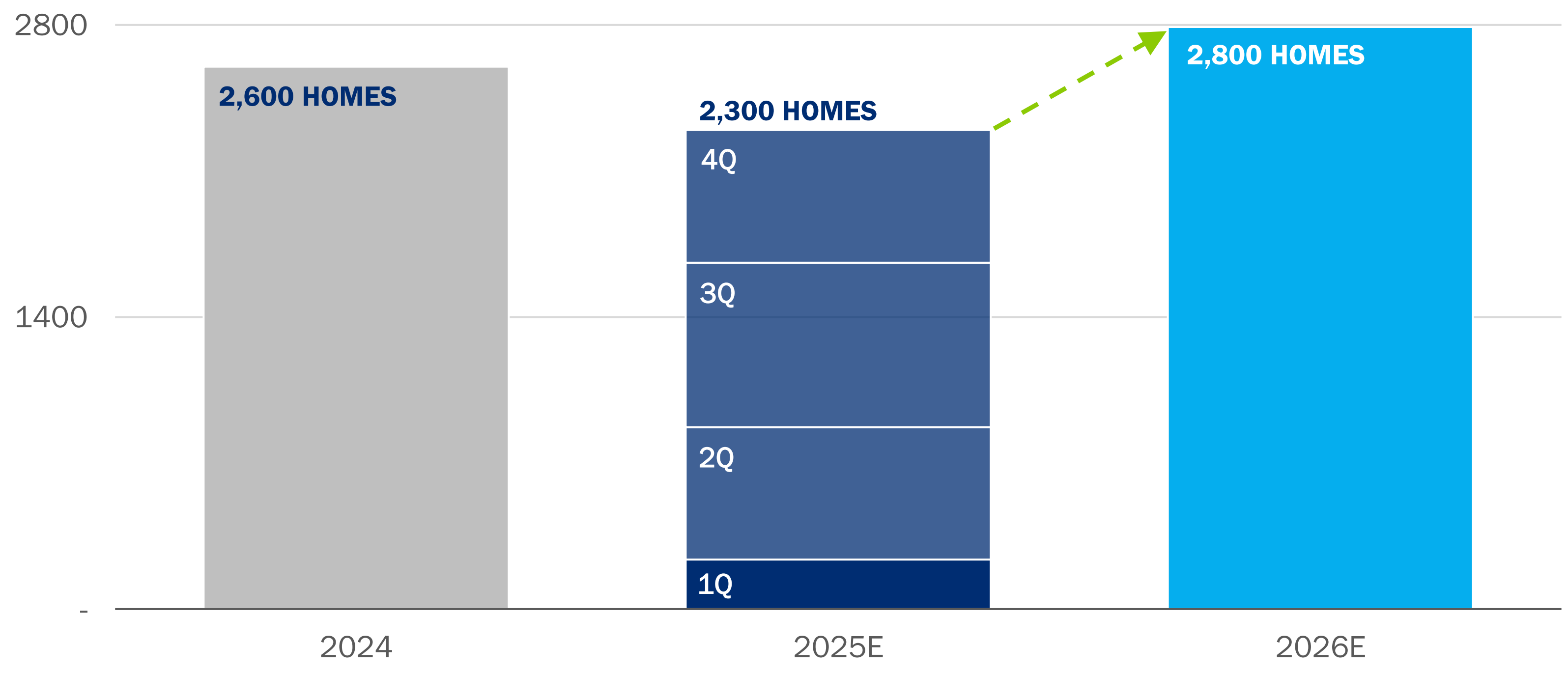
>100%
MATCH-FUNDED
(DEVELOPMENT UNDERWAY)

6.3%
PROJECTED INITIAL STABILIZED YIELD
(UNTRENDED)

100-150bps
SPREAD TO COST OF CAPITAL AND UNDERLYING CAP RATES

DEVELOPMENT OCCUPANCIES

ACTUAL & PROJECTED NEW APARTMENT HOMES OCCUPIED, 2024 – 2026E



Source: Internal company reports.

❹ LEVERAGE GROWTH-ORIENTED BALANCE SHEET

FURTHER STRENGTHENING OUR PREEMININET BALANCE SHEET; PROVIDING FLEXIBILITY TO FUND ACCRETIVE GROWTH

KEY METRICS

A3 | A-

CREDIT RATINGS

(MOODY'S | S&P)

4.3x

NET DEBT-TO-CORE EBITDARE

95%

UNENCUMBERED NOI

RECENT HIGHLIGHTS

$2.5B

UNSECURED CREDIT FACILITY

- Capacity increased from $2.25B
- Maturity extended to April 2030
- $1.0B Commercial Paper Program
  - → Capacity increased from $500M
  - → Backstopped by Credit Facility

$450M

TERM LOAN APRIL 2029

- Secured attractively priced capital to pre-fund 2Q25 unsecured maturity
- Swapped to fixed 4.5% interest rate; expected to be fully drawn by May 30, 2025

PRIOR ACTIVITY

$890M

2024 FORWARD EQUITY ACTIVITY

- Sourced to Match-Fund anticipated 2025 Development starts at wtd. avg. price of $226/shr
- 100-150bps of accretive spread to projected Initial Stabilized Yields on Development

CURRENT LIQUIDITY $2.8B[1,2]

Source: Internal company reports.

See Appendix for a definition and reconciliation of Net Debt-to-Core EBITDAre, and a discussion of the Company's Credit Ratings and 2024 Forward Equity Activity.

(1) Reflects activity through April 30, 2025

(2) Includes the Company's $2.5 billion unsecured revolving credit facility ("Credit Facility") and commercial paper program ("Commercial Paper"), and $890M of undrawn forward equity, partially offset by $595M of Commercial Paper outstanding as of April 30, 2025

AvalonBay COMMUNITIES

1Q 2025 EARNINGS REVIEW

Avalon North Andover
Andover, MA

1Q25 KEY TAKEAWAYS

- **Supply-constrained coastal, Suburban portfolio well-positioned heading into peak leasing season**
  - → **Operating metrics trending positively through April 2025**

- **$3B of Development underway >100% Match-Funded, expected to provide incremental earnings and value creation upon stabilization**
  - → **Projected 2025 Development starts are back-half weighted; impacts from the latest tariff announcements softened by tailwinds from increased subcontractor availability**

- **Recent capital markets activities further strengthen our strong balance sheet, providing flexibility to fund accretive growth**

- **Strong start to the year; 1Q Core FFO per share exceeded our initial outlook driven by better-than-expected operating results**
  - → **Full year 2025 outlook reaffirmed**

Avalon Princeton Circle
Princeton, NJ

REVIEW OF 1Q25 RESULTS AND YTD ACTIVITY

1Q25 RESULTS AND ACTIVITY	
CORE FFO PER SHARE GROWTH YEAR-OVER-YEAR	**4.8%**
SAME STORE RESIDENTIAL REVENUE GROWTH YEAR-OVER-YEAR	**3.0%**
DEVELOPMENT STARTS	**$240M**
YTD RESULTS AND ACTIVITY[1]	
CAPITAL RAISED[2] WTD. AVG. INITIAL COST OF CAPITAL	**$905M** 4.9%

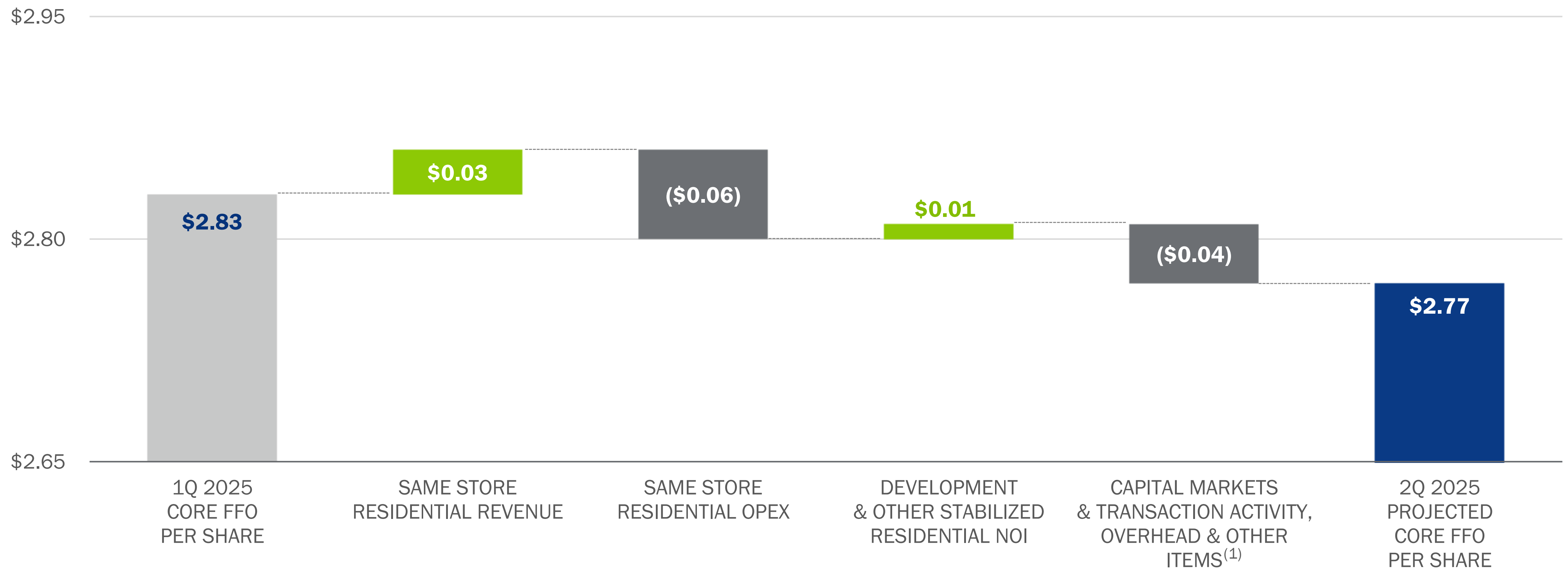
Avalon Public Market
Emeryville, CA

Source: Internal company reports.
See Appendix for a reconciliation of Net Income attributable to common stockholders to FFO and to Core FFO.
(1) Includes activity through April 30, 2025
(2) Capital raised includes net proceeds from all debt and equity issuances (inclusive of DownREIT Units), wholly-owned dispositions, and distributions from unconsolidated real estate entities. Weighted average initial cost of capital includes all equity (inclusive of DownREIT Units) and debt (inclusive of the effect of interest rate hedges) issuances, and wholly-owned dispositions only.

FULL YEAR OUTLOOK REAFFIRMED, WITH EXPECTED SEASONAL INCREASE IN OPEX DURING 2Q

COMPONENTS OF 1Q 2025 TO 2Q 2025 PROJECTED CORE FFO PER SHARE CHANGE

BASED ON THE MIDPOINT OF THE OUTLOOK RANGE



Source: Internal company reports.

See Appendix for a reconciliation of Projected Net Income attributable to common stockholders to Projected FFO and to Projected Core FFO.

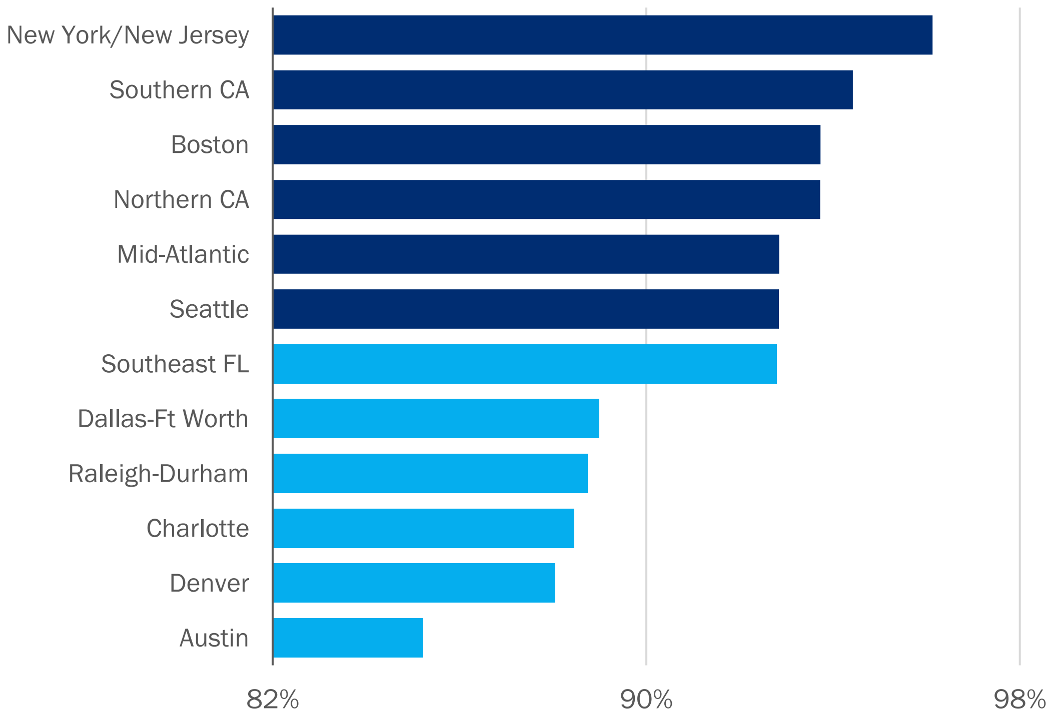
(1) Includes Commercial NOI

HIGH OCCUPANCY AND MINIMAL NEW SUPPLY SUPPORT PRICING POWER IN ESTABLISHED REGIONS...

AvalonBay COMMUNITIES

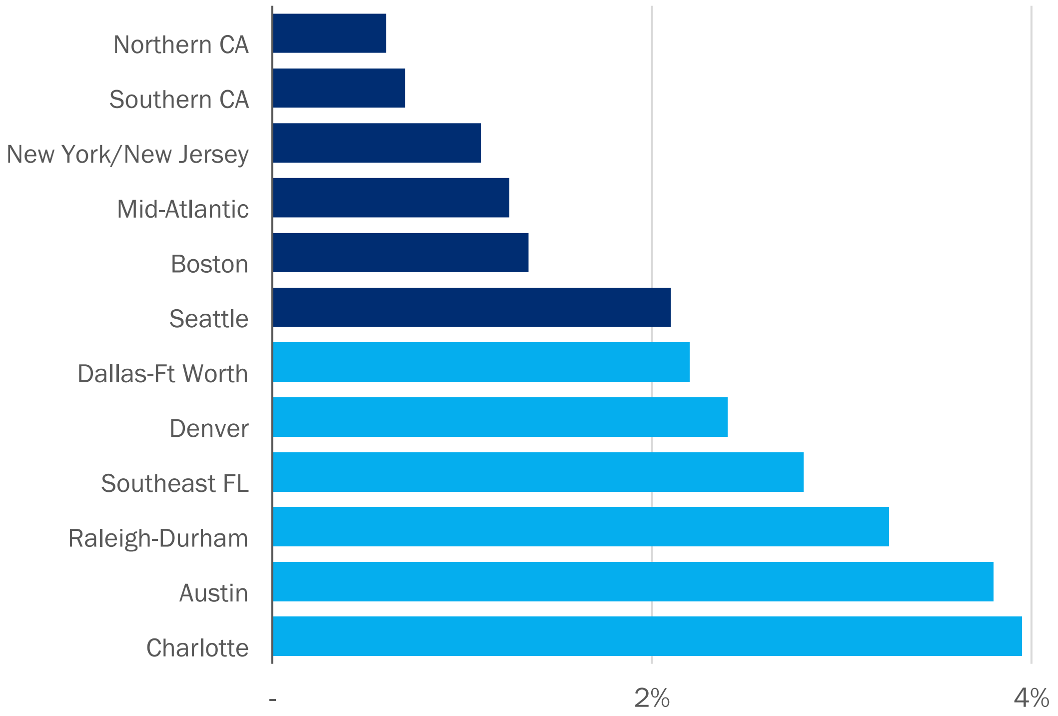
MARKET OCCUPANCY

1Q 2025 - STABILIZED ASSETS AND LEASE-UPS



PROJECTED NEW MARKET RATE APARTMENT DELIVERIES

2025 AND 2026 AVERAGE - AS A % OF INVENTORY



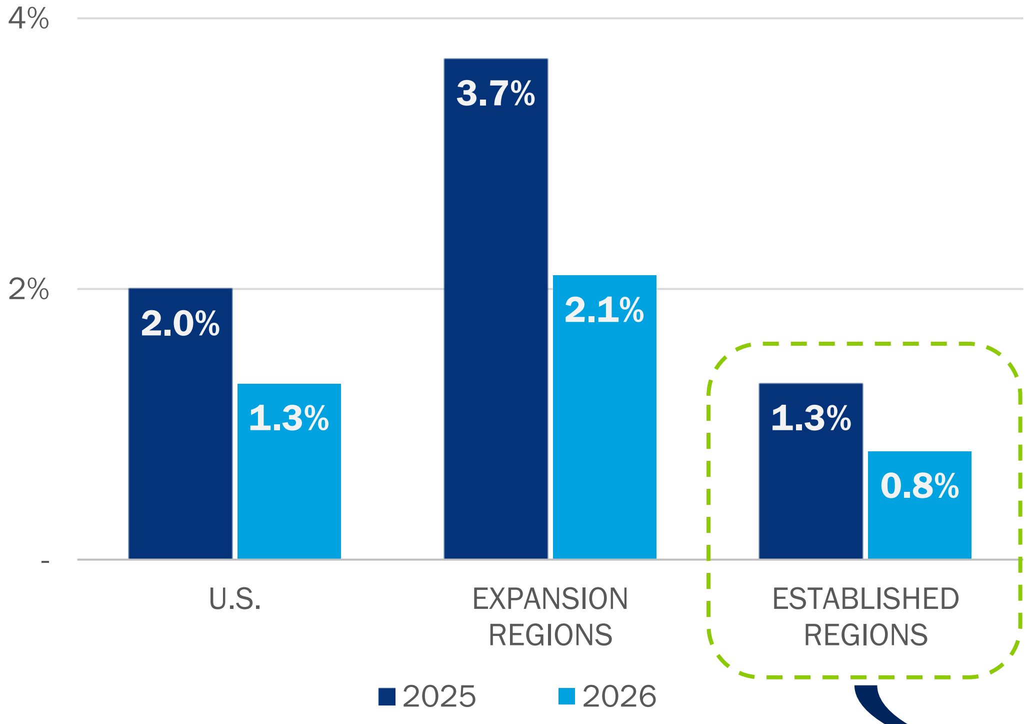
■ ESTABLISHED REGIONS ■ EXPANSION REGIONS

Source: CoStar, AVB Market Research Group.

FAVORABLE SUPPLY OUTLOOK FOR ESTABLISHED REGIONS TO PERSIST; FURTHER IMPROVEMENT EXPECTED IN SECOND HALF OF 2025

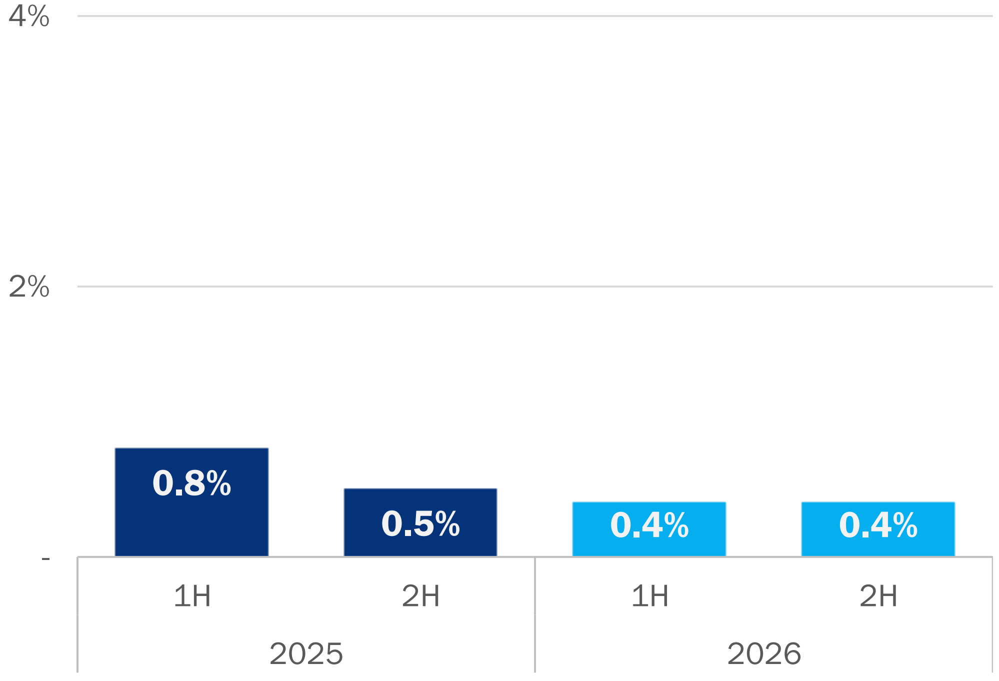
PROJECTED 2025 AND 2026 NEW MARKET RATE APARTMENT DELIVERIES

AS A % OF EXISTING INVENTORY



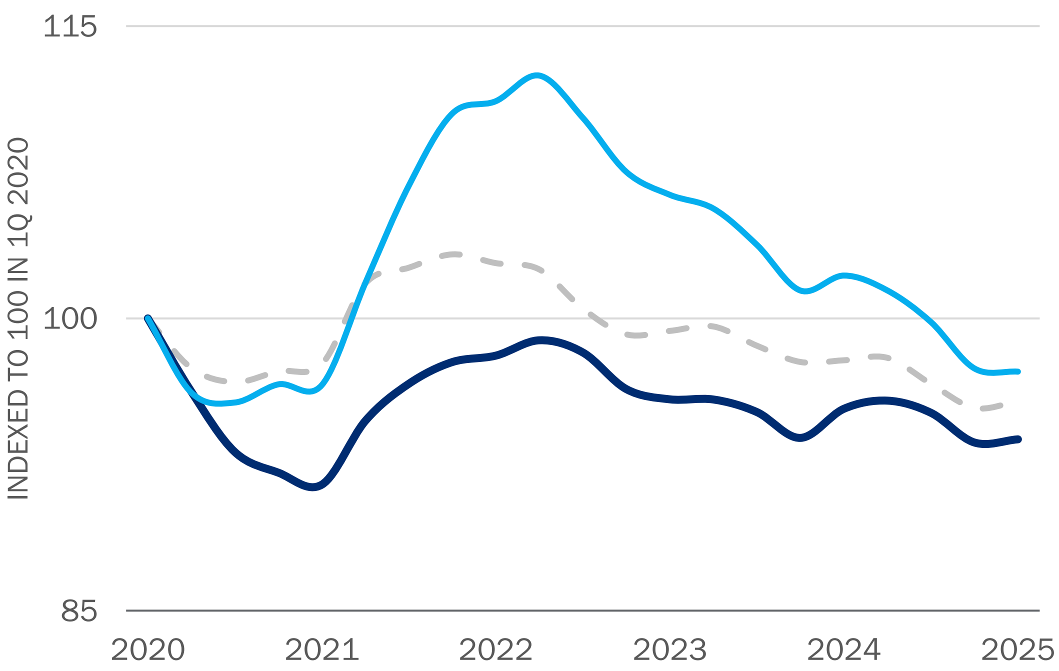
ESTABLISHED REGIONS NEW MARKET RATE APARMENT DELIVERIES

AS A % OF EXISTING INVENTORY

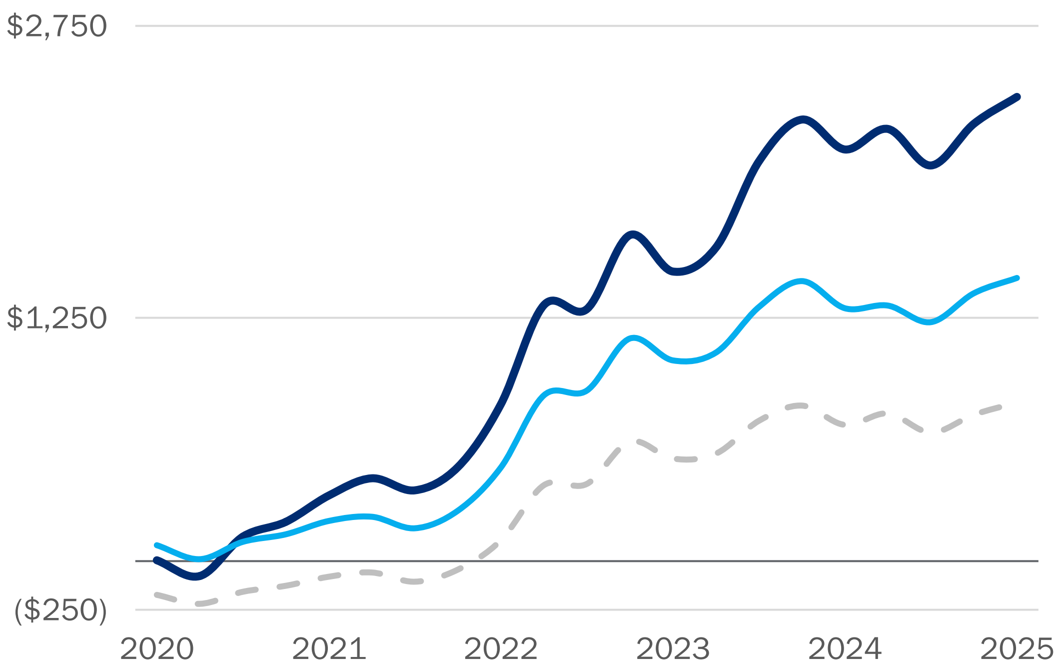


...RENTAL AFFORDABILITY IS HEALTHY, AND RENTING REMAINS SIGNIFICANTLY MORE AFFORDABLE THAN HOMEOWNERSHIP

INDEXED RENT-TO-INCOME RATIO[1]



MEDIAN MORTGAGE PAYMENT LESS APARTMENT RENT[2]



Source: CoStar, U.S. Census Bureau, Moody's Analytics, National Association of Realtors, Freddie Mac, National Association of Homebuilders, AVB Market Research Group.

(1) Annual effective rent (net of concessions) divided by annual median household income.

(2) Based on a median monthly mortgage payment (30-year fixed rate, 20% down payment, average property tax) minus monthly apartment rent (80+ unit buildings).

SAME STORE PORTFOLIO METRICS HEALTHY IN 1Q; PORTFOLIO WELL-POSITIONED HEADING INTO PEAK LEASING SEASON

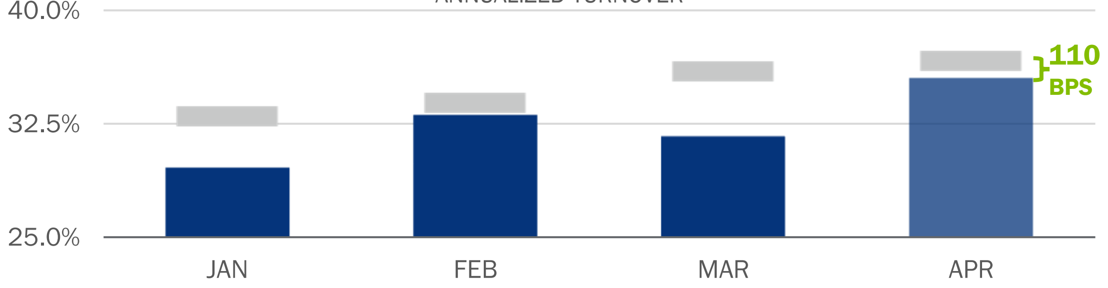
2025 SAME STORE RESIDENTIAL

2025 ACTUAL | 2024 ACTUAL

1

TURNOVER TRENDING BELOW 2024 LEVELS AND REMAINS HISTORICALLY LOW...

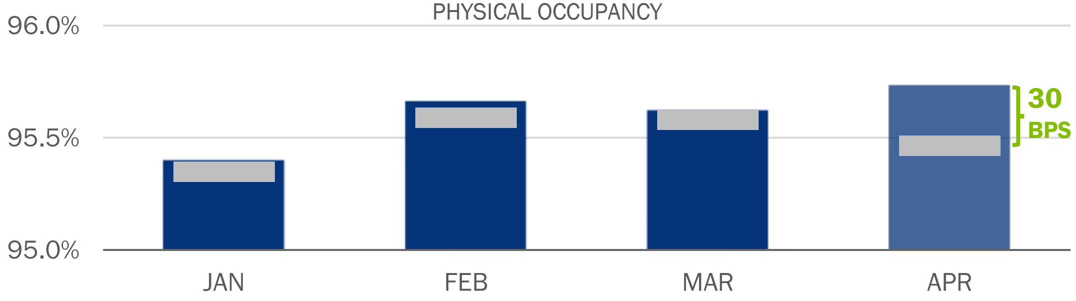
ANNUALIZED TURNOVER



2

...SUPPORTING HIGHER OCCUPANCY THROUGHOUT 1Q INTO APRIL

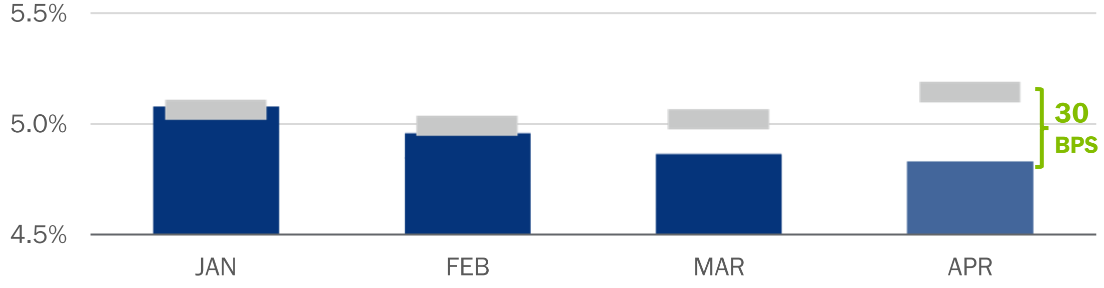
PHYSICAL OCCUPANCY



3

NEAR-TERM AVAILABILITY TO LEASE IS LOWER THAN LAST YEAR...

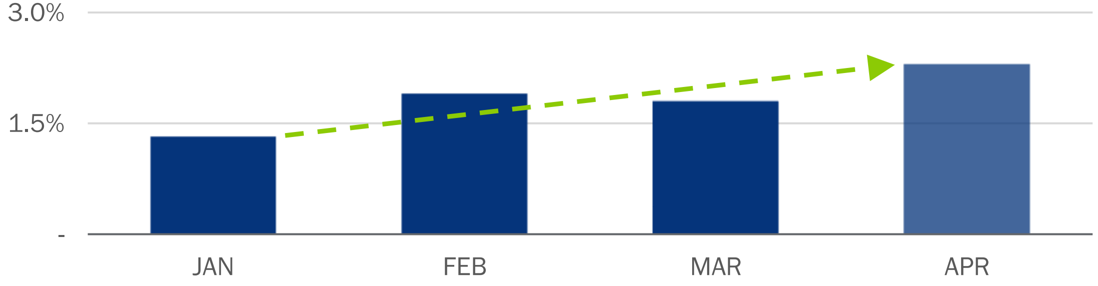
30 DAY EXPOSURE



4

...DRIVING UPWARD TREND IN RENT CHANGE

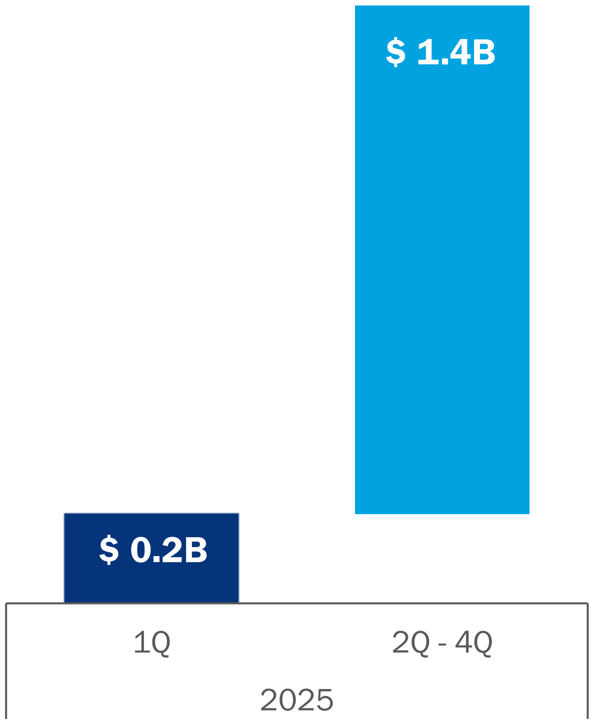
LIKE-TERM EFFECTIVE RENT CHANGE



Source: Internal company reports.
April data as of April 25, 2025, including known activity through month end.

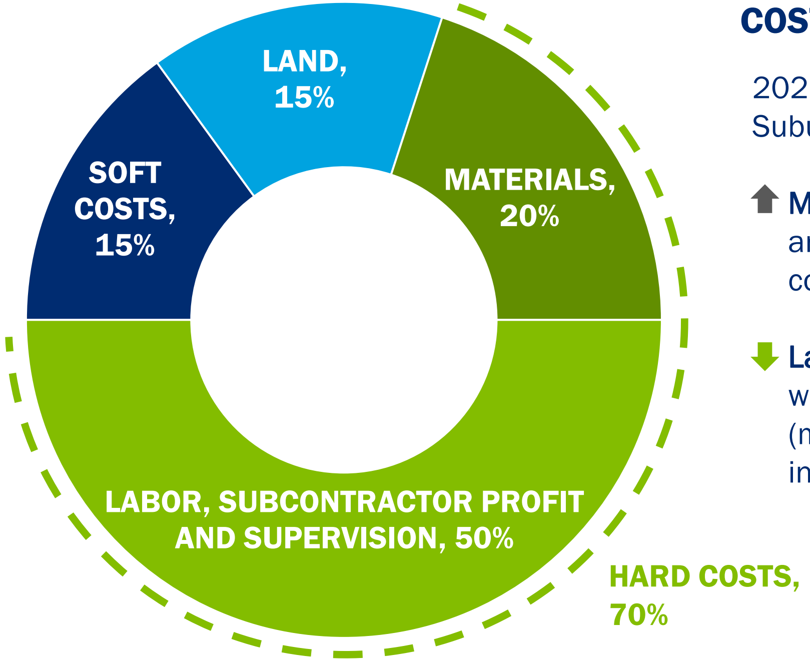
PROJECTED 2025 DEVELOPMENT STARTS BACK-HALF WEIGHTED; TARIFF IMPACTS BUFFERED BY SUBCONTRACTOR TAILWINDS AS INDUSTRY STARTS DECLINE

PROJECTED 2025 START ACTIVITY



ILLUSTRATIVE BREAKDOWN OF TYPICAL DEVELOPMENT

TOTAL CAPITAL COSTS



COST CONSIDERATIONS

2025 Development starts are 100% Suburban; lower density product

- ⬆ **Materials** are comprised of both domestic and imported products from various countries
- ⬇ **Labor, Subcontractor availability improving** with declining new construction starts (multifamily & single family) across the industry providing increase in bid coverage

Source: Internal company reports.

AvalonBay
COMMUNITIES

APPENDIX

Avalon Bothell Commons
Bothell, WA

FORWARD-LOOKING STATEMENTS

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The Company's forward-looking statements generally use the words "believe," "expect," "anticipate," "intend," "estimate," "assume," "project," "plan," "may,“ "shall," "will," "pursue" and other similar expressions that indicate future events and trends and do not report historical matters. These statements, among other things, address the Company's intent, belief or expectations with respect to: development, redevelopment, acquisition or disposition of communities; the timing and cost of completion of communities under development or redevelopment; the timing of lease-up, occupancy and stabilization of communities; the pursuit of land for future development; the anticipated operating performance of our communities; cost, yield, revenue, NOI and earnings estimates; the impact of landlord-tenant laws and rent regulations, including rent caps; our expansion into new regions; our declaration or payment of dividends; our joint venture activities; our policies regarding investments, indebtedness, acquisitions, dispositions, financings and other matters; our qualification as a REIT under the Code; the real estate markets in regions where we operate and in general; the availability of debt and equity financing; interest rates; inflation, tariffs and other economic conditions, and their potential impacts; trends affecting our financial condition or results of operations; regulatory changes that may affect us; and the impact of legal proceedings.

The Company cannot assure the future results or outcome of the matters described in these statements; rather, these statements merely reflect our current expectations of the outcomes of the matters discussed. We do not undertake a duty to update these forward-looking statements, and therefore they may not represent our estimates and assumptions after the date of this report. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, some of which are beyond our control. These risks, uncertainties and other factors may cause our actual results, performance or achievements to differ materially from the anticipated future results, performance or achievements expressed or implied by these forward-looking statements. You should carefully review the discussion under Part I, Item 1A. "Risk Factors" in this Form 10-K for further discussion of risks associated with forward-looking statements.

Some of the factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements include, but are not limited to, the following: we may fail to secure development opportunities due to an inability to reach agreements with third parties to obtain land at attractive prices or to obtain desired zoning and other local approvals; we may abandon or defer development opportunities for a number of reasons, including changes in local market conditions which make development less desirable, increases in costs of development, increases in the cost of capital or lack of capital availability, resulting in losses; construction costs of a community may exceed original estimates; we may not complete construction and lease-up of communities under development or redevelopment on schedule, resulting in increased interest costs and construction costs and a decrease in expected rental revenues; occupancy rates and market rents may be adversely affected by competition and local economic and market conditions which are beyond our control; our cash flows from operations and access to cost-effective capital may be insufficient for the development of our pipeline, which could limit our pursuit of opportunities; an outbreak of disease or other public health event may affect the multifamily industry and general economy; our cash flows may be insufficient to meet required payments of principal and interest, and we may be unable to refinance existing indebtedness or the terms of such refinancing may not be as favorable as the terms of existing indebtedness; we may be unsuccessful in our management of joint ventures and the REIT vehicles that are used with certain joint ventures; we may experience a casualty loss, natural disaster or severe weather event, including those caused by climate change; new or existing laws and regulations implementing rent control or rent stabilization, or otherwise limiting our ability to increase rents, charge fees or evict tenants, may impact our revenue or increase our costs; our expectations, estimates and assumptions as of the date of this filing regarding legal proceedings are subject to change; our assumptions and expectations in our financial outlook may prove to be too optimistic; the possibility that we may choose to pay dividends in our stock instead of cash, which may result in stockholders having to pay taxes with respect to such dividends in excess of the cash received, if any; and investments made under the SIP may not be repaid as expected or the development may not be completed on schedule, which could require us to engage in litigation, foreclosure actions, and/or first party project completion to recover our investment, which may not be recovered in full or at all in such event.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

2024 Forward Equity Activity, as discussed in this presentation, describes forward contracts the Company entered into during the year ended December 31, 2024, the Company entered into forward contracts to sell 4,047,113 shares of common stock with settlement expected to occur no later than December 31, 2025 at a gross weighted average price of $226.22 per share for approximate proceeds of $889,293,000, net of fees. The proceeds that the Company expects to receive on the date or dates of settlement are subject to certain customary adjustments during the term of the forward contracts for the Company's dividends and a daily interest rate adjustment. As of March 31, 2025, the Company had not settled any of the outstanding forward contracts.

Asset Preservation Capex represents capital expenditures that the Company does not expect will directly result in increased revenue or expense savings.

Commercial represents results attributable to the non-apartment components of the Company's mixed-use communities and other non-residential operations.

Credit ratings, as provided in this presentation, may not reflect the potential impact of risks relating to the structure or trading of the Company's securities and are provided solely for informational purposes. Credit ratings are not recommendations to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. The Company does not undertake any obligation to maintain the ratings or to advise of any change in ratings. Each agency's rating should be evaluated independently of any other agency's rating. An explanation of the significance of the ratings may be obtained from each of the rating agencies.

Current Allocation represents the Company's projected 2025 Net Operating Income for all communities with Stabilized Operations throughout the entire 12-month period ending December 31, 2025, and Management's expectation for Net Operating Income for the first full year of Stabilized Operations for all acquisitions and Development communities in 2025.

Development is composed of consolidated communities that are either currently under construction or were under construction and were completed during the current year. These communities may be partially or fully complete and operating.

DownREIT Units means units representing limited partnership interests in the "downREIT" partnership that acquired the Dallas-Fort Worth assets. Each DownREIT Unit will be entitled to receive quarterly distributions at the same rate as quarterly dividends on a share of the Company's common stock (pro rated for the time outstanding during the first quarter of issuance). Following the one-year anniversary of the closing date, each holder of a DownREIT Unit will have the right to initiate a transaction in which each DownREIT Unit may be redeemed for a cash amount related to the then-current trading price of one share of the Company's common stock or, at the Company's election, one share of the Company's common stock.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

AvalonBay COMMUNITIES

Dividend Growth, presented as annualized dividend growth in this presentation, represents the change in the Company's annual common dividend per share as a compound annual growth rate.

EBITDA, EBITDAre and Core EBITDAre are considered by management to be supplemental measures of our financial performance. EBITDA is defined by the Company as net income or loss computed in accordance with GAAP before interest expense, income taxes, depreciation and amortization. EBITDAre is calculated by the Company in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("Nareit"), as EBITDA plus or minus losses and gains on the disposition of depreciated property, plus impairment write-downs of depreciated property, with adjustments to reflect the Company's share of EBITDAre of unconsolidated entities. Core EBITDAre is the Company's EBITDAre as adjusted for non-core items outlined in the table below. By further adjusting for items that are not considered part of the Company's core business operations, Core EBITDAre can help one compare the core operating and financial performance of the Company between periods. A reconciliation of EBITDA, EBITDAre and Core EBITDAre to net income is as follows (dollars in thousands):

	Q1 2025
Net income	$ 236,597
Interest expense and loss on extinguishment of debt	62,714
Income tax benefit	(116)
Depreciation expense	217,888
EBITDA	$ 517,083
Gain on sale of communities	(56,469)
Unconsolidated entity EBITDAre adjustments (1)	3,988
EBITDAre	$ 464,602
Unconsolidated entity losses, net	1,242
Structured Investment Program loan reserve	17
Hedge accounting activity	19
Severance related costs	176
Expensed transaction, development and other pursuit costs, net of recoveries	3,888
Other real estate activity	(133)
Legal settlements and costs	1,478
Core EBITDAre	$ 471,289

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

(1) Includes joint venture interest, taxes, depreciation, gain on dispositions of depreciated real estate and impairment losses, if applicable, included in net income.

Established Regions include markets located in New England, the New York/New Jersey Metro area, the Mid-Atlantic, the Pacific Northwest, and Northern and Southern California.

Economic Occupancy is defined as total possible Residential revenue less vacancy loss as a percentage of total possible Residential revenue. Total possible Residential revenue (also known as “gross potential”) is determined by valuing occupied units at contract rates and vacant units at Market Rents. Vacancy loss is determined by valuing vacant units at current Market Rents. By measuring vacant apartments at their Market Rents, Economic Occupancy takes into account the fact that apartment homes of different sizes and locations within a community have different economic impacts on a community’s gross revenue.

Expansion Regions include markets located in Raleigh-Durham and Charlotte, North Carolina, Southeast Florida, Dallas and Austin, Texas, and Denver, Colorado.

FFO and Core FFO are generally considered by management to be appropriate supplemental measures of our operating and financial performance. FFO is calculated by the Company in accordance with the definition adopted by Nareit. FFO is calculated by the Company as Net income or loss attributable to common stockholders computed in accordance with GAAP, adjusted for gains or losses on sales of previously depreciated operating communities, cumulative effect of a change in accounting principle, impairment write-downs of depreciable real estate assets, write-downs of investments in affiliates due to a decrease in the value of depreciable real estate assets held by those affiliates and depreciation of real estate assets, including similar adjustments for unconsolidated partnerships and joint ventures, including those from a change in control. FFO can help one compare the operating and financial performance of a real estate company between periods or as compared to different companies because adjustments such as (i) gains or losses on sales of previously depreciated property or (ii) real estate depreciation may impact comparability between companies as the amount and timing of these or similar items can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates. Core FFO is the Company's FFO as adjusted for non-core items outlined in the table below. By further adjusting for items that we do not consider be part of our core business operations, Core FFO can help with the comparison of core operating performance of the Company between periods. A reconciliation of Net income attributable to common stockholders to FFO and to Core FFO is as follows (dollars in thousands):

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

AvalonBay COMMUNITIES

	Q1 2025	Q1 2024
Net income attributable to common stockholders	$ 236,597	$ 173,449
Depreciation - real estate assets, including joint venture adjustments	216,627	211,347
(Gain) loss on sale of previously depreciated real estate	(56,469)	70
Casualty loss on real estate	-	2,935
FFO attributable to common stockholders	396,755	387,801
Adjusting items:		
Unconsolidated entity losses (gains), net (1)	1,242	(8,385)
Structured Investment Program loan reserve (2)	17	58
Hedge accounting activity	19	39
Advocacy contributions	-	75
Executive transition compensation costs	-	104
Severance related costs	176	211
Expensed transaction, development and other pursuit costs, net of recoveries (3)	3,888	3,134
Other real estate activity (4)	(133)	(121)
Legal settlements and costs (5)	1,478	864
Income tax benefit	(116)	(22)
Core FFO attributable to common stockholders	$ 403,326	$ 383,758
Weighted average common shares outstanding - diluted	142,486,558	142,222,755
Earnings per common share - diluted	$ 1.66	$ 1.22
FFO per common share - diluted	$ 2.78	$ 2.73
Core FFO per common share - diluted	$ 2.83	$ 2.70

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

(1) Amounts for Q1 2025 consist primarily of net unrealized losses on technology investments and amounts for Q1 2024 consist primarily of unrealized gains on technology investments.

(2) Changes are the expected credit losses associated with the Company's lending commitments primarily under its Structured Investment Program. The timing and amount of any actual losses that will be incurred, if any, is to be determined.

(3) Amount for Q1 2025 includes a write-off of $3,668 for one development opportunity that the Company determined is no longer probable. Amount for Q1 2024 includes a write-off of $1,600 for one development opportunity that the Company determined is no longer probable.

(4) Comprised of gains on sale of non-operating real estate, as well as the imputed carry cost of for-sale residential condominiums at The Park Loggia. We compute this adjustment by multiplying the total capitalized cost of the unsold for-sale residential condominiums by our weighted average unsecured debt effective interest rate.

(5) Amounts for Q1 2025 and Q1 2024 include legal costs associated with various antitrust litigation matters and legal settlements.

Incremental NOI represents additional NOI that was not achieved in the prior period before the implementation of the initiatives and that is attributable, in future periods, to the implementation of the initiatives.

Initial Stabilized Yield represents NOI as a percentage of Total Capital Cost for the first 12 months after Stabilized Operations and is weighted based on the Total Capital Cost of each community.

Like-Term Effective Rent Change for an individual apartment home represents the percentage change in effective rent between two leases of the same lease term category for the same apartment. The Company defines effective rent as the contractual rent for an apartment less amortized concessions and discounts. Like-Term Effective Rent Change with respect to multiple apartment homes represents an average. New Move-In Like-Term Effective Rent Change is the change in effective rent between the contractual rent for a resident who moves out of an apartment, and the contractual rent for a resident who moves into the same apartment with the same lease term category. Renewal Like-Term Effective Rent Change is the change in effective rent between two consecutive leases of the same lease term category for the same resident occupying the same apartment.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

Market Cap Rate is defined by the Company as Projected NOI of a single community for the first 12 months of operations (assuming no repositioning), less an estimate of typical capital expenditure allowance per apartment home, divided by the gross sales price for the community. Projected NOI, as referred to above, represents management's estimate of projected rental revenue minus projected operating expenses before interest, income taxes (if any), depreciation and amortization. For this purpose, management's projection of operating expenses for the community includes a management fee of 2.5% and an estimate of typical market costs for insurance, payroll and other operating expenses for which the Company may have proprietary advantages not available to a typical buyer. The Market Cap Rate, which may be determined in a different manner by others, is a measure frequently used in the real estate industry when determining the appropriate purchase price for a property or estimating the value for a property. Buyers may assign different Market Cap Rates to different communities when determining the appropriate value because they (i) may project different rates of change in operating expenses and capital expenditure estimates and (ii) may project different rates of change in future rental revenue due to different estimates for changes in rent and occupancy levels. The weighted average Market Cap Rate is weighted based on the gross sales price of each community.

Market Rents as reported by the Company are based on the current market rates set by the Company based on its experience in renting apartments and publicly available market data. Market Rents for a period are based on the average Market Rents during that period and do not reflect any impact for cash concessions.

Match-Funded (Development Underway) is calculated by the Company as the sum of (i) Total Capital Cost, disbursed to date for all wholly-owned Development communities that had not achieved Stabilized Operations for the entire three month period ended March 31, 2025, (ii) cash and cash equivalents, (iii) 2024 Forward Equity Activity, and (iv) Q1 2025 cash from operations available for investment, annualized divided by the Total Capital Cost, under construction for all wholly-owned Development communities that had not achieved Stabilized Operations for the entire three month period ended March 31, 2025. A calculation of Match-funded (Development Underway) is as follows (dollars in millions):

	Q1 2025
Total Capital Cost, disbursed to date	$ 1,670
Cash and cash equivalents	53
2024 Forward Equity Activity	889
Q1 2025 cash from operations available for investment, annualized	478
Total	$ 3,091
Total Capital Cost, under construction and completed	$ 2,993
Match-funded (Development underway)	103%

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

AvalonBay COMMUNITIES

Net Debt-to-Core EBITDAre is calculated by the Company as total debt (secured and unsecured notes, and the Company's Credit Facility and commercial paper program) that is consolidated for financial reporting purposes, less consolidated cash and restricted cash, divided by annualized first quarter 2025 Core EBITDAre. A calculation of Net Debt-to-Core EBITDAre is as follows (dollars in thousands):

Total debt principal (1)	$	8,358,259
Cash and cash equivalents and restricted cash		(181,383)
Net debt	$	8,176,876
Core EBITDAre	$	471,289
Core EBITDAre, annualized	$	1,885,156
Net Debt-to-Core EBITDAre		4.3x

(1) Balance at March 31, 2025 excludes $39,393 of debt discount and deferred financing costs as reflected in unsecured notes, net, $15,371 of debt discount and deferred financing costs as reflected in notes payable, net, and $58 of commercial paper discount as reflected in unsecured credit facility and commercial paper, net on the Condensed Consolidated Balance Sheets.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

NOI is defined by the Company as total property revenue less direct property operating expenses (including property taxes), and excluding corporate-level income (including management, development and other fees), property management and other indirect operating expenses, net of corporate income, expensed transaction, development and other pursuit costs, net of recoveries, interest expense, net, loss on extinguishment of debt, net, general and administrative expense, income from unconsolidated investments, depreciation expense, income tax (benefit) expense, casualty loss, (gain) loss on sale of communities, other real estate activity and net operating income from real estate assets sold or held for sale. The Company considers NOI to be an important and appropriate supplemental performance measure to net income because it helps both investors and management to understand the core operations of a community or communities prior to the allocation of any corporate-level property management overhead or financing-related costs. NOI reflects the operating performance of a community and allows for an easier comparison of the operating performance of individual assets or groups of assets. In addition, because prospective buyers of real estate have different financing and overhead structures, with varying marginal impact to overhead as a result of acquiring real estate, NOI is considered by many in the real estate industry to be a useful measure for determining the value of a real estate asset or group of assets.

Projected FFO and Projected Core FFO, as provided within this release in the Company's outlook, are calculated on a basis consistent with historical FFO and Core FFO, and are therefore considered to be appropriate supplemental measures to projected net income from projected operating performance. A reconciliation of the ranges provided for Projected FFO per share (diluted) for the second quarter to the ranges provided for projected EPS (diluted) and corresponding reconciliation of the ranges for Projected FFO per share to the ranges for Projected Core FFO per share are as follows:

	Low Range	High Range
Projected EPS (diluted) - Q2 2025	$ 1.78	$ 1.88
Depreciation (real estate related)	1.60	1.60
Gain on sale of communities	(0.69)	(0.69)
Projected FFO per share (diluted) - Q2 2025	2.69	2.79
Expensed transaction, development and other pursuit costs, net of recoveries	0.01	0.01
Legal settlements and costs	0.01	0.01
Other	0.01	0.01
Projected Core FFO per share (diluted) - Q2 2025	$ 2.72	$ 2.82

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

AvalonBay COMMUNITIES

Projected NOI, as used within this presentation for certain Development communities and in calculating the Market Cap Rate for dispositions, represents management's estimate, as of the date of this presentation (or as of the date of the buyer's valuation in the case of dispositions), of projected stabilized rental revenue minus projected stabilized operating expenses. For Development communities, Projected NOI is calculated based on the first twelve months of Stabilized Operations following the completion of construction. In calculating the Market Cap Rate, Projected NOI for dispositions is calculated for the first twelve months following the date of the buyer's valuation. Projected stabilized rental revenue represents management's estimate of projected gross potential minus projected stabilized economic vacancy and adjusted for projected stabilized concessions plus projected stabilized other rental revenue. Projected stabilized operating expenses do not include interest, income taxes (if any), depreciation or amortization, or any allocation of corporate-level property management overhead or general and administrative costs. In addition, projected stabilized operating expenses for Development communities do not include property management fee expense. Projected gross potential for Development communities and dispositions is generally based on leased rents for occupied homes and management's best estimate of rental levels for homes which are currently unleased, as well as those homes which will become available for lease during the twelve-month forward period used to develop Projected NOI. The weighted average Projected NOI as a percentage of Total Capital Cost is weighted based on the Company's share of the Total Capital Cost of each community, based on its percentage ownership.

Residential represents results attributable to the Company's apartment rental operations, including parking and other ancillary Residential revenue.

Q1 2025 cash from operations available for investment, annualized is the Company's first quarter 2025 Core FFO, less (i) first quarter 2025 dividends declared – common and (ii) first quarter 2025 Asset Preservation Capex, annualized. Q1 2025 cash from operations available for investment, annualized does not represent the Company's Net cash provided by operating activities as presented in the Company's consolidated financial statements. A reconciliation of Q1 2025 cash from operations available for investment, annualized to Core FFO is as follows (dollars in thousands):

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

		Q1 2025
Core FFO attributable to common stockholders	$	403,326
Dividends declared - common		(249,599)
Established and Other Stabilized Asset Preservation Capex		(34,109)
Q1 2025 cash from operations available for investment	$	119,618
Q1 2025 cash from operations available for investment, annualized	$	478,472

Same Store is composed of consolidated communities where a comparison of operating results from the prior year to the current year is meaningful as these communities were owned and had Stabilized Operations, as defined below, as of the beginning of the respective prior year period. Therefore, for 2025 operating results, Same Store is composed of consolidated communities that have Stabilized Operations as of January 1, 2024, are not conducting or are not probable to conduct substantial redevelopment activities and are not held for sale or probable for disposition within the current year.

Suburban locations are defined as submarkets having less than 3,500 households per square mile.

Target Allocation represents the Company's future target allocation based on the Company's Current Allocation.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

Total Capital Cost includes all capitalized costs projected to be or actually incurred to develop the respective Development or Redevelopment 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 and a contingency estimate, offset by proceeds from the sale of any associated land or improvements, all as determined in accordance with GAAP. Total Capital Cost also includes costs incurred related to first generation commercial tenants, such as tenant improvements and leasing commissions. For Redevelopment communities, Total Capital Cost excludes costs incurred prior to the start of redevelopment when indicated. With respect to communities where development or redevelopment was completed in a prior period or the current period, Total Capital Cost reflects the actual cost incurred, plus any contingency estimate made by management. Total Capital Cost for communities identified as having joint venture ownership, either during construction or upon construction completion, represents the total projected joint venture contribution amount. For joint ventures not in construction, Total Capital Cost is equal to gross real estate cost.

Turnover is the annualized number of units turned over during the period, divided by the total number of Same Store apartment homes for the respective period, and excludes any third-party managed communities.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

AvalonBay COMMUNITIES

Unencumbered NOI as calculated by the Company represents NOI generated by real estate assets unencumbered by outstanding secured notes payable as of March 31, 2025 as a percentage of total NOI generated by real estate assets. The Company believes that current and prospective unsecured creditors of the Company view Unencumbered NOI as one indication of the borrowing capacity of the Company. Therefore, when reviewed together with the Company's Interest Coverage, EBITDA and cash flow from operations, the Company believes that investors and creditors view Unencumbered NOI as a useful supplemental measure for determining the financial flexibility of an entity. A calculation of Unencumbered NOI for the three months ended March 31, 2025 is as follows (dollars in thousands):

	Q1 2025
Residential NOI:	
Same Store	$ 478,316
Other Stabilized	19,510
Development/Redevelopment	2,726
Total Residential NOI	500,552
Commercial NOI	10,033
NOI from real estate assets sold or held for sale	2,534
Total NOI generated by real estate assets	513,119
Less NOI on encumbered assets	(24,735)
NOI on unencumbered assets	488,384
Unencumbered NOI	95%

Urban locations are defined as submarkets having 3,500 or more households per square mile.

AvalonBay
COMMUNITIES