

April 6, 2022



AvalonBay Communities Announces Public Offering of 2,000,000 Shares of Common Stock

ARLINGTON, Va.--(BUSINESS WIRE)-- **AVALONBAY COMMUNITIES, INC. (NYSE: AVB)** (the "Company") announced today that it is commencing an underwritten public offering of 2,000,000 shares of common stock in connection with the forward sale agreements described below.

Morgan Stanley and J.P. Morgan are acting as joint book-running managers for the offering.

The Company expects to enter into forward sale agreements with Morgan Stanley & Co. LLC and JPMorgan Chase Bank, N.A. or their affiliates (the "forward purchasers") with respect to 2,000,000 shares of its common stock. In connection with the forward sale agreements, the forward purchasers or their affiliates are expected to borrow and sell to the underwriters an aggregate of 2,000,000 shares of the common stock that will be delivered in the offering. Subject to its right to elect cash or net share settlement, which right is subject to certain conditions, the Company intends to deliver, upon physical settlement of such forward sale agreements on one or more dates specified by the Company occurring no later than December 31, 2023, an aggregate of 2,000,000 shares of its common stock to the forward purchasers in exchange for cash proceeds per share equal to the applicable forward sale price, subject to certain adjustments as provided in the forward sale agreements.

The Company will not initially receive any proceeds from the sale of shares of its common stock by the forward purchasers or their affiliates in the offering. The Company intends to use the net proceeds, if any, it receives upon the future settlement of the forward sale agreements for identified and prospective land acquisitions, the development and redevelopment of apartment communities, the acquisition of communities, and working capital and general corporate purposes, which may include the repayment of outstanding indebtedness under the Company's commercial paper program or its \$1,750,000,000 revolving variable rate unsecured credit facility. General corporate purposes may also include the repayment and refinancing of other indebtedness. Pending the application of such net proceeds, the Company may temporarily invest all or a portion of the net proceeds from this offering in cash or cash equivalents and/or hold such proceeds in accordance with its internal liquidity policy.

Selling common stock through the forward sale agreements enables the Company to set the price of such shares upon the pricing of the offering (subject to certain adjustments) while delaying the issuance of such shares and the receipt of the net proceeds by the Company until a time closer to the funding requirements described above.

The offering is being conducted pursuant to the Company's currently effective shelf registration statement, which was previously filed with the Securities and Exchange Commission (the "SEC"). This press release does not constitute an offer to sell or the solicitation of an offer to buy any of the Company's securities, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

You may obtain copies of the prospectus supplement and prospectus relating to the offering without charge from the SEC at www.sec.gov. Alternatively, copies of these documents may be obtained by contacting (i) Morgan Stanley & Co. LLC, 180 Varick Street, 2nd Floor, New York, NY 10014, Attention: Prospectus Department; and (ii) J.P. Morgan Securities LLC, 1155 Long Island Avenue, Edgewood, NY 11717, Attention: Broadridge Financial Solutions.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which include, but are not limited to, statements related to the size of the offering and the intended use of the net proceeds from the offering. The Company intends these 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 and is including this statement for purposes of complying with those safe harbor provisions, in each case, to the extent applicable. The Company cautions investors that any such forward-looking statements are based on current beliefs or expectations of future events and on assumptions made by, and information currently available to, management. You can identify forward-looking statements by the use of the words "believe," "expect," "anticipate," "intend," "estimate," "assume," "project," "plan," "may," "shall," "will," "pursue" and other similar expressions in this press release, that predict or indicate future events and trends and that do not report historical matters. Such forward-looking statements are subject to various risks and uncertainties, including, among others, those related to the COVID-19 pandemic; the availability of debt and equity financing; and the trends affecting the Company's financial condition or results of operations. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are described under the sections entitled "Forward-Looking Statements" and "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, as such factors may be updated from time to time in the Company's periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. The forward-looking statements speak only as of the date of this press release, and the Company expressly disclaims any obligation or undertaking to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except to the extent otherwise required by law.

About AvalonBay Communities, Inc.

As of January 31, 2022, the Company owned or held a direct or indirect ownership interest in 297 apartment communities containing 87,992 apartment homes in 12 states and the District of Columbia, of which 19 communities were under development. The Company is an equity real estate investment trust in the business of developing, redeveloping, acquiring, and managing apartment communities in leading metropolitan areas in New England, the New York/New Jersey Metro area, the Mid-Atlantic, the Pacific Northwest, and Northern and Southern California, as well as in the Company's expansion markets of Raleigh-Durham and Charlotte, North Carolina, Southeast Florida, Dallas and Austin, Texas, and Denver, Colorado.

Copyright © 2022 AvalonBay Communities, Inc. All Rights Reserved

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20220405006099/en/>

Jason Reilley
Vice President
Investor Relations
AvalonBay Communities, Inc.
703-317-4681

Source: AvalonBay Communities, Inc.