

June 2, 2023



AvalonBay Communities, Inc. Provides Second Quarter 2023 Operating Update and Publishes Investor Presentation

ARLINGTON, Va.--(BUSINESS WIRE)-- **AVALONBAY COMMUNITIES, INC. (NYSE: AVB)** (the "Company") announced today that Same Store Residential rental revenue for the two months ended May 31, 2023, increased 6.5% over the prior year period. This is approximately 80 basis points above what the Company's expectation was for Same Store Residential rental revenue growth for this two-month period when the Company published its updated projected EPS (diluted), Projected FFO per share (diluted), and Projected Core FFO per share (diluted) for the full year 2023 on April 26, 2023.

The Company also provided the following Same Store Residential operating information:

	Economic Occupancy		
	2023	2023	
	Q1	April	May
Total	96.1%	96.1%	96.0%
	Like-Term Effective Rent Change		
	2023	2023	
	Q1	April	May
New England	5.4%	6.7%	6.0%
Metro NY / NJ	4.8%	4.7%	5.6%
Mid-Atlantic	3.0%	4.1%	4.1%
Southeast FL	5.6%	5.0%	4.2%
Denver, CO	2.5%	2.7%	4.4%

Pacific NW	4.2%	4.4%	3.5%
Northern California	3.2%	3.6%	3.1%
Southern California	3.7%	5.2%	5.1%
Charlotte, NC	4.6%	(1.2%)	(0.7%)
Total	4.1%	4.8%	4.7%
Suburban communities	3.8%	4.7%	4.7%
Urban communities	4.8%	5.1%	4.7%
Total	4.1%	4.8%	4.7%

Renewal Offers for June and July 2023 were delivered to residents at an average increase in the low-7% range over the existing lease.

The Company has posted an updated Investor Presentation to its website. The presentation can be found in the Investor Relations section of www.avalonbay.com.

Definitions

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.

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 which are driven by a decrease in the value of depreciable real estate assets held by the affiliate and depreciation of real estate assets, including adjustments for unconsolidated partnerships and joint ventures. FFO can help one compare the operating and financial performance of a real estate company between periods or as compared to different companies because the adjustments such as (i) excluding 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 are not considered by us to be part of our core business operations, Core FFO can help with the comparison of core operating performance of the Company between periods.

Like-Term Effective Rent Change 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. Average Like-Term Effective Rent Change is weighted based on the number of leases meeting the criteria for new move-in and renewal like-term effective rent change. 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. Data for the Company's Same Store community located in Dallas, TX is not included as the community is managed by a third party.

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.

Projected FFO and Projected Core FFO 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.

Renewal Offers generally represent initial offers made to market rate apartments with expiring leases for which the residents have not provided notice of their intent to vacate.

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

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 2023 operating results, Same Store is composed of consolidated communities that have Stabilized Operations as of January 1, 2022, 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.

Stabilized Operations is defined as the earlier of (i) attainment of 90% physical occupancy or (ii) the one-year anniversary of completion of development or redevelopment.

About AvalonBay Communities, Inc.

As of March 31, 2023, the Company owned or held a direct or indirect ownership interest in 295 apartment communities containing 88,826 apartment homes in 12 states and the District of Columbia, of which 19 communities were under development and one community was under redevelopment. The Company is an equity REIT 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. More information may be found on the Company's

website at <http://www.avalonbay.com>.

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

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