



PRESS RELEASE

For Immediate News Release
July 25, 2016

AVALONBAY COMMUNITIES, INC. ANNOUNCES SECOND QUARTER 2016 OPERATING RESULTS AND UPDATES FULL YEAR 2016 FINANCIAL OUTLOOK

(Arlington, VA) AvalonBay Communities, Inc. (NYSE: AVB) (the “Company”) reported today that Net Income Attributable to Common Stockholders for the three months ended June 30, 2016 was \$197,444,000. This resulted in an increase in Earnings per Share – diluted (“EPS”) of 11.6% to \$1.44 for the three months ended June 30, 2016, from \$1.29 for the prior year period.

Funds from Operations attributable to common stockholders - diluted (“FFO”) per share for the three months ended June 30, 2016 decreased 8.7% to \$1.99 from \$2.18 for the prior year period.

Core FFO per share for the three months ended June 30, 2016 increased 8.6% to \$2.03 from \$1.87 for the prior year period.

The Company's EPS, FFO per share and Core FFO per share were impacted by an increase in Net Operating Income (“NOI”) from newly developed and existing operating communities for the three months ended June 30, 2016 over the prior year period, partially offset by an increase in the average shares outstanding. The increase in EPS was also due to an increase in both wholly-owned and joint venture real estate sales and related gains, partially offset by an increase in depreciation expense and a decrease in casualty and impairment gain, net. The decrease in FFO per share is primarily due to a decrease in casualty and impairment gain, net, coupled with the gain on extinguishment of debt in the prior year period as compared to the loss on extinguishment of debt for the three months ended June 30, 2016.

The following table compares the Company's actual results for EPS, FFO per share and Core FFO per share for the second quarter of 2016 to its April 2016 outlook:

Second Quarter 2016 Results Comparison to April 2016 Outlook			
	Per Share		
	EPS	FFO	Core FFO
Projected per share - April 2016 outlook (1)	\$ 1.49	\$ 2.10	\$ 2.00
Established and Redevelopment Community NOI	0.02	0.02	0.02
Gain on sale of real estate	(0.13)	(0.14)	—
Casualty and impairment loss	0.02	(0.02)	—
Joint venture income and other	0.04	0.03	0.01
Q2 2016 per share reported results	\$ 1.44	\$ 1.99	\$ 2.03

(1) The mid-point of the Company's April 2016 outlook.

For the six months ended June 30, 2016, EPS increased 10.8% to \$3.17 from \$2.86 for the prior year period. FFO per share was \$4.06 for both the six months ended June 30, 2016 and the prior year period. For the six months ended June 30, 2016, Core FFO per share increased 10.2% to \$4.00 from \$3.63 for the prior year period.

Operating Results for the Three Months Ended June 30, 2016 Compared to the Prior Year Period

For the Company, total revenue increased by \$44,848,000, or 9.8%, to \$502,307,000. This increase is primarily due to growth in revenue from Development Communities and Established Communities.

For Established Communities, Average Rental Rates increased 5.2%, and were partially offset by a decrease in Economic Occupancy of 0.2%, resulting in an increase in rental revenue of 5.0%. If the Company were to include current and previously completed Redevelopment Communities as part of its Established Communities portfolio, the increase in Established Communities' rental revenue would have been 5.1%. Total revenue for Established Communities increased \$17,901,000, or 4.9%, to \$379,853,000. Operating expenses for Established Communities increased \$5,080,000, or 4.7%, to \$112,575,000. NOI for Established Communities increased \$12,821,000, or 5.0%, to \$267,278,000.

The following table reflects the percentage changes in rental revenue, operating expenses and NOI for Established Communities for the three months ended June 30, 2016 compared to the three months ended June 30, 2015:

Q2 2016 Compared to Q2 2015					
	Rental Revenue			% of	
	Avg Rent	Ec			
	Rates	Occ	Opex (1)	NOI	NOI (2)
New England	4.0%	(0.4)%	5.3 %	2.7%	14.2%
Metro NY/NJ	3.1%	0.2 %	5.5 %	2.3%	24.4%
Mid-Atlantic	1.6%	— %	(0.2)%	2.5%	15.2%
Pacific NW	7.0%	(0.5)%	8.2 %	5.6%	5.2%
No. California	8.7%	(0.1)%	14.4 %	6.8%	21.0%
So. California	7.1%	(0.4)%	(1.1)%	10.3%	20.0%
Total	5.2%	(0.2)%	4.7 %	5.0%	100.0%

(1) See Attachment 7, Operating Expenses ("Opex"), for discussion of variances.

(2) Represents each region's % of total NOI for Q2 2016, including amounts related to communities that have been sold or that are classified as held for sale.

Operating Results for the Six Months Ended June 30, 2016 Compared to the Prior Year Period

For the Company, total revenue increased by \$110,978,000, or 12.3%, to \$1,010,804,000. This increase is primarily due to growth in revenue from Development Communities and Established Communities, coupled with business interruption insurance proceeds.

For Established Communities, Average Rental Rates increased 5.4%, and were partially offset by a decrease in Economic Occupancy of 0.2%, resulting in an increase in rental revenue of 5.2%. If the Company were to include current and previously completed Redevelopment Communities as part of its Established Communities portfolio, the increase in Established Communities' rental revenue would have been 5.3%. Total revenue for Established Communities increased \$37,243,000, or 5.2%, to \$753,804,000. Operating expenses for Established Communities increased \$5,217,000, or 2.4%, to \$222,996,000. NOI for Established Communities increased \$32,026,000, or 6.4%, to \$530,808,000.

The following table reflects the percentage changes in rental revenue, operating expenses and NOI for Established Communities for the six months ended June 30, 2016 compared to the six months ended June 30, 2015:

YTD 2016 Compared to YTD 2015					
	Rental Revenue			% of	
	Avg Rent	Ec			
	Rates	Occ	Opex (1)	NOI	NOI (2)
New England	4.7%	(0.4)%	(3.0)%	8.9%	14.3%
Metro NY/NJ	3.4%	(0.1)%	4.3 %	2.8%	24.2%
Mid-Atlantic	1.6%	(0.2)%	0.4 %	1.9%	15.1%
Pacific NW	6.9%	(0.4)%	6.9 %	6.2%	5.2%
No. California	9.5%	(0.4)%	8.8 %	9.1%	21.1%
So. California	7.4%	(0.2)%	0.7 %	10.1%	20.1%
Total	5.4%	(0.2)%	2.4 %	6.4%	100.0%

(1) See Attachment 7, Operating Expenses ("Opex"), for discussion of variances.

(2) Represents each region's % of total NOI for YTD 2016, including amounts related to communities that have been sold or that are classified as held for sale.

Development Activity

During the three months ended June 30, 2016, the Company engaged in the following development activity:

The Company completed the development of three communities:

- AVA Capitol Hill, located in Seattle, WA;
- Avalon Irvine III, located in Irvine, CA; and
- Avalon Union, located in Union, NJ.

These three communities contain an aggregate of 607 apartment homes and 16,000 square feet of retail space, and were constructed for an aggregate Total Capital Cost of \$187,500,000.

The Company started the construction of two communities:

- Avalon Somers, located in Somers, NY; and
- AVA North Point, located in Cambridge, MA.

These two communities will contain a total of 417 apartment homes when completed and will be developed for an aggregate estimated Total Capital Cost of \$159,000,000. AVA North Point is the third phase of a master planned development, the other phases of which are owned through a joint venture structure that the Company acquired an interest in as part of the Archstone acquisition, as described in the Company's first quarter 2013 earnings release dated April 30, 2013. This community will also be developed by the Company within a joint venture that was formed in July 2016, in which the Company owns a 55% interest.

The Company added five Development Rights which, if developed as expected, will contain 2,060 apartment homes and will be developed for an estimated Total Capital Cost of \$684,000,000.

The projected Total Capital Cost of overall Development Rights increased to \$4.0 billion at June 30, 2016 from \$3.7 billion at March 31, 2016.

During the three months ended June 30, 2016, the Company acquired three parcels of land for development for an aggregate investment of \$34,587,000. The Company has started or anticipates starting construction of apartment communities on this land during the next six months.

Acquisition Activity

In May 2016, the Company acquired Avalon Clarendon, located in Arlington, VA. Avalon Clarendon contains 300 apartment homes and was acquired for a purchase price of \$120,300,000. Avalon Clarendon is part of a mixed-use development containing residential, retail, office and public parking. To facilitate the acquisition, the Company entered into a joint venture under which the Company acquired all of the rights and obligations associated with the residential component, while the joint venture partner acquired all of the rights and obligations associated with the other components. The Company and its venture partner expect to complete a vertical subdivision of the property in the third quarter of 2016, at which time the Company will report the operating results of Avalon Clarendon as part of its consolidated results of operations.

Disposition Activity

Consolidated Apartment Communities

During the three months ended June 30, 2016, the Company sold Avalon Essex, a wholly-owned community located in Peabody, MA. Avalon Essex contains 154 apartment homes and was sold for \$45,100,000, resulting in a gain in accordance with GAAP of \$31,081,000 and an Economic Gain of \$20,787,000. Avalon Essex generated an Unleveraged IRR of 13.7% over an investment period of 15.7 years.

Unconsolidated Real Estate Investments

During the three months ended June 30, 2016, AvalonBay Value Added Fund II, L.P. ("Fund II"), a private discretionary real estate investment vehicle in which the Company holds an equity interest of approximately 31.3%, sold one community containing 628 apartment homes for a sales price of \$163,550,000. The Company's share of the gain in accordance with GAAP was \$23,547,000. In conjunction with the disposition, Fund II repaid \$59,100,000 of related secured indebtedness in advance of the scheduled maturity date. This resulted in charges for a prepayment penalty and write-off of deferred financing costs, of which the Company's portion was \$463,000, reported as a reduction of joint venture income. In July 2016, Fund II distributed the proceeds from the sale, of which the Company received \$35,947,000. The Company's share of the distribution included \$5,014,000 for an incentive distribution, of which \$3,447,000 was recognized as income from the Company's promoted interest in the three months ended June 30, 2016.

Liquidity and Capital Markets

At June 30, 2016, the Company did not have any borrowings outstanding under its \$1,500,000,000 unsecured credit facility, and had \$287,691,000 in unrestricted cash and cash in escrow.

The Company's annualized Net Debt-to-Core EBITDA for the second quarter of 2016 was 5.1 times.

During the three months ended June 30, 2016, the Company issued \$475,000,000 principal amount of unsecured notes in a public offering under its existing shelf registration for net proceeds of approximately \$471,751,000. The notes mature in May 2026, were issued at a 2.95% coupon interest rate and have an effective interest rate of approximately 3.35%, including the effect of an interest rate hedge and offering costs.

During the three months ended June 30, 2016, the Company repaid \$134,500,000 of variable rate debt secured by Avalon Walnut Creek at par in advance of its March 2046 maturity date, recognizing a non-cash charge of \$2,461,000 for the write-off of deferred financing costs.

Third Quarter and Updated Full Year 2016 Financial Outlook

For its third quarter and full year 2016 financial outlook, the Company expects the following:

Projected EPS, Projected FFO and Projected Core FFO Outlook (1)				
	Q3 2016		Full Year 2016	
	Low	High	Low	High
Projected EPS	\$2.69	\$2.75	\$7.48	\$7.68
Projected FFO per share	\$2.14	\$2.20	\$8.26	\$8.46
Projected Core FFO per share (1)	\$2.05	\$2.11	\$8.13	\$8.33

(1) See Attachment 14 for reconciliations of Projected FFO per share and Projected Core FFO per share to Projected EPS.

The following table compares the Company's July 2016 outlook for EPS, FFO per share and Core FFO per share for the full year 2016 to its February 2016 outlook:

July 2016 Full Year Outlook Comparison to February 2016 Outlook				
	Per Share			
	EPS	FFO	Core FFO	
Projected per share - February 2016 outlook (1)	\$ 7.06	\$ 8.32	\$ 8.23	
Established Community NOI	(0.03)	(0.03)	(0.03)	
Other community NOI	0.01	0.01	0.01	
Capital markets and transaction activity	(0.01)	(0.01)	0.02	
Interest expense and capitalized interest	0.01	0.01	0.01	
Joint venture income, management fees and overhead	0.05	0.05	(0.01)	
Casualty and impairment loss, net	(0.04)	(0.07)	—	
Gain on sale of real estate	0.61	0.08	—	
Depreciation expense (real estate related)	(0.08)	—	—	
Projected per share - July 2016 outlook (1)	\$ 7.58	\$ 8.36	\$ 8.23	

(1) The mid-point of the Company's outlook.

Further detail of the Company's current full year 2016 outlook is available on Attachment 13.

Other Matters

The Company will hold a conference call on July 26, 2016 at 11:00 AM ET to review and answer questions about this release, its second quarter 2016 results, the Attachments (described below) and related matters. To participate on the call, dial 888-516-2377 domestically and 719-325-4937 internationally and use conference id: 8768422.

To hear a replay of the call, which will be available from July 26, 2016 at 2:00 PM ET to August 2, 2016 at 2:00 PM ET, dial 888-203-1112 domestically and 719-457-0820 internationally and use conference id: 8768422. A webcast of the conference call will also be available at <http://www.avalonbay.com/earnings>, and an on-line playback of the webcast will be available for at least 30 days following the call.

The Company produces Earnings Release Attachments (the "Attachments") that provide detailed information regarding operating, development, redevelopment, disposition and acquisition activity. These Attachments are considered a part of this earnings release and are available in full with this earnings release via the Company's website at <http://www.avalonbay.com/earnings>. To receive future press releases via e-mail, please submit a request through <http://www.avalonbay.com/email>.

In addition to the Attachments, the Company is providing a management letter and teleconference presentation that will be available on the Company's website at <http://www.avalonbay.com/earnings> subsequent to this release and before the market opens on July 26, 2016. These supplemental materials will be available on the Company's website for 30 days following the earnings call.

About AvalonBay Communities, Inc.

As of June 30, 2016, the Company owned or held a direct or indirect ownership interest in 283 apartment communities containing 82,984 apartment homes in 10 states and the District of Columbia, of which 23 communities were under construction and seven communities were under reconstruction. 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 the Northern and Southern California regions of the United States. More information may be found on the Company's website at <http://www.avalonbay.com>. For additional information, please contact Jason Reilley, Senior Director of Investor Relations at 703-317-4681.

Forward-Looking Statements

This release, including its Attachments, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements, which you can identify by the Company's use of words such as "expects," "plans,"

"estimates," "anticipates," "projects," "intends," "believes," "outlook" and similar expressions that do not relate to historical matters, are based on the Company's expectations, forecasts and assumptions at the time of this release, which may not be realized and involve risks and uncertainties that cannot be predicted accurately or that might not be anticipated. These could cause actual results to differ materially from those expressed or implied by the forward-looking statements. Risks and uncertainties that might cause such differences include the following, among others: the Company's expectations and assumptions as of the date of this release regarding potential uninsured loss amounts and on-going investigations resulting from the casualty loss at Avalon at Edgewater ("Edgewater") are subject to change and could materially affect the Company's current expectations regarding the impact of the fire; we may abandon development or redevelopment opportunities for which we have already incurred costs; adverse capital and credit market conditions may affect our access to various sources of capital and/or cost of capital, which may affect our business activities, earnings and common stock price, among other things; changes in local employment conditions, demand for apartment homes, supply of competitive housing products, and other economic conditions may result in lower than expected occupancy and/or rental rates and adversely affect the profitability of our communities; delays in completing development, redevelopment and/or lease-up may result in increased financing and construction costs and may delay and/or reduce the profitability of a community; debt and/or equity financing for development, redevelopment or acquisitions of communities may not be available or may not be available on favorable terms; we may be unable to obtain, or experience delays in obtaining, necessary governmental permits and authorizations; expenses may result in communities that we develop or redevelop failing to achieve expected profitability; our assumptions concerning risks relating to our lack of control of joint ventures and our abilities to successfully dispose of certain assets may not be realized; our assumptions and expectations in our financial outlook may prove to be too optimistic. Additional discussions of risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements appear in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 under the heading "Risk Factors" and under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements" and in subsequent quarterly reports on Form 10-Q.

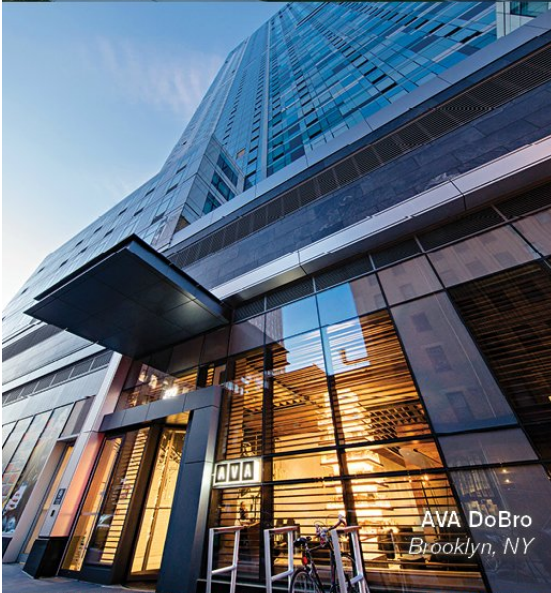
The Company does not undertake a duty to update forward-looking statements, including its expected 2016 operating results and other financial data forecasts contained in this release. The Company may, in its discretion, provide information in future public announcements regarding its outlook that may be of interest to the investment community. The format and extent of future outlooks may be different from the format and extent of the information contained in this release.

Definitions and Reconciliations

Non-GAAP financial measures and other capitalized terms, as used in this earnings release, are defined and further explained on Attachment 14, "Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms." Attachment 14 is included in the full earnings release available at the Company's website at <http://www.avalonbay.com/earnings>.



Avalon at Assembly Row
Somerville, MA



AVA DoBro
Brooklyn, NY



eaves Creekside
Mountain View, CA

SECOND QUARTER 2016

Supplemental Operating and Financial Data

AvalonBay offers three distinct brands – Avalon, AVA and eaves by Avalon - each targeted to different customer segments with unique needs and preferences. This brand portfolio helps us reach new customers and better serve our existing residents.



SECOND QUARTER 2016

Supplemental Operating and Financial Data

Table of Contents

Company Profile

Detailed Operating Information.....	Attachment 1
Condensed Consolidated Balance Sheets.....	Attachment 2
Sequential Operating Information by Business Segment.....	Attachment 3

Market Profile - Established Communities

Quarterly Rental Revenue and Occupancy Changes.....	Attachment 4
Sequential Quarterly Rental Revenue and Occupancy Changes.....	Attachment 5
Year to Date Rental Revenue and Occupancy Changes.....	Attachment 6
Operating Expenses ("Opex").....	Attachment 7

Development, Joint Venture, Debt Profile and Disposition Activity

Development Communities.....	Attachment 8
Future Development.....	Attachment 9
Unconsolidated Real Estate Investments.....	Attachment 10
Debt Structure and Select Debt Metrics.....	Attachment 11
Summary of Disposition Activity.....	Attachment 12

Financial Outlook

2016 Financial Outlook.....	Attachment 13
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Definitions and Reconciliations

Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.....	Attachment 14
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The following is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The projections and estimates contained in the following attachments are forward-looking statements that involve risks and uncertainties, and actual results may differ materially from those projected in such statements. Risks associated with the Company's development, redevelopment, construction, and lease-up activities which could impact the forward-looking statements are discussed in the paragraph titled "Forward-Looking Statements" in the release that accompanies these attachments. Among other risks, development opportunities may be abandoned; Total Capital Cost of a community may exceed original estimates, possibly making the community uneconomical and/or affecting projected returns; construction and lease-up may not be completed on schedule, resulting in increased debt service and construction costs; and other risks described in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and the Company's Quarterly Reports on Form 10-Q for subsequent quarters, could cause actual results to differ materially from such projections and estimates.

Attachment 1

AvalonBay Communities, Inc.
Detailed Operating Information
June 30, 2016
(Dollars in thousands except per share data)
(unaudited)

	Q2 2016	Q2 2015	% Change	YTD 2016	YTD 2015	% Change
Revenue:						
Rental and other income (1)	\$ 500,840	\$ 454,517	10.2 %	\$ 1,007,814	\$ 894,273	12.7 %
Management, development and other fees	1,467	2,942	(50.1)%	2,990	5,553	(46.2)%
Total	502,307	457,459	9.8 %	1,010,804	899,826	12.3 %
Operating expenses:						
Direct property operating expenses, excluding property taxes	100,739	93,214	8.1 %	198,126	186,936	6.0 %
Property taxes	51,107	45,913	11.3 %	101,174	93,089	8.7 %
Property management and other indirect operating expenses	16,970	17,782	(4.6)%	35,064	35,802	(2.1)%
Total operating expenses	168,816	156,909	7.6 %	334,364	315,827	5.9 %
Interest expense, net	(46,581)	(44,590)	4.5 %	(89,991)	(90,164)	(0.2)%
(Loss) gain on extinguishment of debt, net	(2,461)	7,749	N/A	(2,461)	7,749	N/A
General and administrative expense	(12,011)	(10,335)	16.2 %	(23,414)	(20,803)	12.6 %
Joint venture income (2)	27,151	13,806	96.7 %	55,120	48,371	14.0 %
Investments and investment management	(1,194)	(1,073)	11.3 %	(2,340)	(2,107)	11.1 %
Expensed acquisition, development and other pursuit costs, net of recoveries (3)	(1,436)	(673)	113.4 %	(4,897)	(1,860)	163.3 %
Depreciation expense	(132,469)	(118,627)	11.7 %	(259,685)	(235,480)	10.3 %
Income tax expense	(36)	(1,293)	(97.2)%	(73)	(1,308)	(94.4)%
Casualty and impairment gain (loss), net (4)	1,732	17,114	(89.9)%	3,935	11,326	(65.3)%
Gain on sale of communities	30,990	—	100.0 %	82,420	70,936	16.2 %
Gain on sale of other real estate	143	9,625	(98.5)%	143	9,647	(98.5)%
Net income	197,319	172,253	14.6 %	435,197	380,306	14.4 %
Net loss attributable to noncontrolling interests	125	71	76.1 %	180	163	10.4 %
Net income attributable to common stockholders	\$ 197,444	\$ 172,324	14.6 %	\$ 435,377	\$ 380,469	14.4 %
Net income attributable to common stockholders per common share - basic	\$ 1.44	\$ 1.30	10.8 %	\$ 3.17	\$ 2.88	10.1 %
Net income attributable to common stockholders per common share - diluted	\$ 1.44	\$ 1.29	11.6 %	\$ 3.17	\$ 2.86	10.8 %
Funds from Operations	\$ 273,580	\$ 290,471	(5.8)%	\$ 558,168	\$ 541,051	3.2 %
Per common share - diluted	\$ 1.99	\$ 2.18	(8.7)%	\$ 4.06	\$ 4.06	— %
Dividends declared - common	\$ 185,369	\$ 166,109	11.6 %	\$ 370,537	\$ 331,346	11.8 %
Per common share	\$ 1.35	\$ 1.25	8.0 %	\$ 2.70	\$ 2.50	8.0 %
Average shares and participating securities outstanding - basic	137,277,401	132,319,255	3.7 %	137,213,698	132,269,714	3.7 %
Average shares outstanding - diluted	137,437,733	133,086,439	3.3 %	137,410,387	133,131,363	3.2 %
Total outstanding common shares and operating partnership units	137,320,034	132,895,667	3.3 %	137,320,034	132,895,667	3.3 %

- (1) Amount for the six months ended June 30, 2016 includes \$20,306 of business interruption insurance proceeds related to the Edgewater casualty loss.
- (2) Amounts for the three and six months ended June 30, 2016 include \$3,447 relating to the Company's recognition of its promoted interest in Fund II, and \$23,547 and \$53,172, respectively, in disposition gains. Amounts for the three and six months ended June 30, 2015 include \$12,232 and \$23,807, respectively, in disposition gains, legal settlements and distributions associated with the wind down of joint ventures. In addition, the amount for the six months ended June 30, 2015 includes income of \$20,680 from a joint venture partner's buyout of the Company's promoted interest in future distributions of MVP I, LLC.
- (3) Amount for the six months ended June 30, 2016 includes \$1,616 related to the non-cash write-off of asset management fee intangibles primarily associated with the disposition of communities in Multifamily Partners AC LP (the "U.S. Fund").
- (4) Amounts for the three and six months ended June 30, 2016 include insurance proceeds net of casualty losses, partially offset by impairment charges for undeveloped land. Amounts for 2015 are primarily composed of insurance proceeds, partially offset by costs from the Edgewater casualty loss.

Attachment 2

AvalonBay Communities, Inc.
Condensed Consolidated Balance Sheets
June 30, 2016
(Dollars in thousands)
(unaudited)

	June 30, 2016	December 31, 2015
Real estate	\$ 17,922,243	\$ 17,151,277
Less accumulated depreciation	(3,540,481)	(3,303,751)
Net operating real estate	14,381,762	13,847,526
Construction in progress, including land	1,538,641	1,592,917
Land held for development	511,797	484,377
Real estate assets held for sale, net	65,894	17,489
Total real estate, net	16,498,094	15,942,309
Cash and cash equivalents	182,306	400,507
Cash in escrow	105,385	104,821
Resident security deposits	33,624	30,077
Investments in unconsolidated real estate entities	325,614	216,919
Other assets	250,044	236,672
Total assets	\$ 17,395,067	\$ 16,931,305
Unsecured notes, net	\$ 4,319,165	\$ 3,845,674
Unsecured credit facility	—	—
Notes payable, net	2,514,826	2,611,274
Resident security deposits	58,093	53,132
Liabilities related to real estate assets held for sale	1,549	553
Other liabilities	634,946	570,149
Total liabilities	\$ 7,528,579	\$ 7,080,782
Redeemable noncontrolling interests	9,969	9,997
Equity	9,856,519	9,840,526
Total liabilities and equity	\$ 17,395,067	\$ 16,931,305

Attachment 3

AvalonBay Communities, Inc.
Sequential Operating Information by Business Segment (1)
June 30, 2016
(Dollars in thousands)
(unaudited)

	Total Apartment Homes	Quarter Ended June 30, 2016	Quarter Ended March 31, 2016	Quarter Ended December 31, 2015
RENTAL REVENUE (2)				
Established (3)	54,825	\$ 379,675	\$ 373,751	\$ 372,421
Other Stabilized (3) (4)	8,377	57,956	55,557	49,978
Redevelopment (3)	4,893	41,580	40,867	40,881
Development (3)	9,706	18,804	12,355	8,492
Total Consolidated Communities	<u>77,801</u>	<u>\$ 498,015</u>	<u>\$ 482,530</u>	<u>\$ 471,772</u>
OPERATING EXPENSE				
Established		\$ 112,575	\$ 110,421	\$ 106,066
Other Stabilized (4)		19,907	17,800	17,100
Redevelopment		11,289	11,989	12,026
Development		7,267	5,935	4,536
Total Consolidated Communities		<u>\$ 151,038</u>	<u>\$ 146,145</u>	<u>\$ 139,728</u>
NOI (3)				
Established		\$ 267,278	\$ 263,531	\$ 266,575
Other Stabilized (4) (5)		38,593	58,604	33,296
Redevelopment		30,429	29,052	29,029
Development		11,476	6,275	4,846
Total Consolidated Communities		<u>\$ 347,776</u>	<u>\$ 357,462</u>	<u>\$ 333,746</u>
AVERAGE REVENUE PER OCCUPIED HOME (6)				
Established		\$ 2,417	\$ 2,376	\$ 2,374
Other Stabilized (4)		\$ 2,408	\$ 2,303	\$ 2,227
Redevelopment		\$ 2,984	\$ 2,945	\$ 2,940
ECONOMIC OCCUPANCY (6)				
Established		95.5%	95.6%	95.4%
Other Stabilized (4)		95.1%	95.3%	94.8%
Redevelopment		94.9%	94.5%	94.7%
ESTABLISHED COMMUNITIES TURNOVER (7)				
Current year period / Prior year period		60.8% / 60.5%	42.4% / 41.1%	48.1% / 44.7%
Current year period YTD / Prior year period YTD		51.6% / 50.8%		54.9% / 52.6%

- (1) Includes consolidated communities and excludes amounts related to communities that have been sold or that are classified as held for sale.
- (2) Rental revenue excludes non-qualified REIT income.
- (3) See Attachment #14 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.
- (4) Results for these communities for quarters prior to January 1, 2016 may reflect community operations prior to stabilization, including periods of lease-up, such that occupancy levels are below what would be considered stabilized.
- (5) NOI for Q1 2016 Other Stabilized Communities includes \$20,306 of business interruption insurance proceeds related to the Edgewater casualty loss.
- (6) For per home rent projections and Economic Occupancy for Development Communities currently under construction and/or completed in Q2 2016 see Attachment #8, Development Communities.
- (7) Turnover represents the annualized number of units turned over during the period, divided by the total number of apartment homes for Established Communities for the respective reporting period.
- (8) Redevelopment Communities includes seven communities containing 2,917 apartment homes that are currently under active Redevelopment as of June 30, 2016.

CAPITALIZED COSTS			
	Cap Interest	Cap Overhead	Non-Rev Capex per Home
Q216	\$20,024	\$12,212	\$186
Q116	\$20,609	\$11,881	\$174
Q415	\$20,648	\$11,442	\$310
Q315	\$20,356	\$10,559	\$210
Q215	\$19,800	\$11,180	\$110

REDEVELOPMENT COMMUNITIES (8)		
	Total Capital Cost	Remaining to Invest
Q216	\$142,700	\$68,000

