

December 5, 2013



AvalonBay Communities Commences \$350 Million Unsecured Notes Offering

ARLINGTON, Va.--(BUSINESS WIRE)-- **AvalonBay Communities, Inc. (NYSE: AVB)** (the "Company") announced today it has commenced a \$350 million offering of unsecured notes (the "Notes") under its existing shelf registration statement.

The Company expects to use a portion of the net proceeds from the sale of the Notes to repay three currently outstanding secured debt financings having an aggregate outstanding balance of approximately \$302.0 million owed to Fannie Mae and to incur prepayment penalties of approximately \$14.9 million. The indebtedness to be repaid bears interest at a weighted average interest rate of 5.42% and matures between May 2015 and August 2015. The Company expects to use the balance of the net proceeds for general corporate purposes, which may include the acquisition, development and redevelopment of apartment communities and repayment and refinancing of other indebtedness.

The expected prepayment penalty was not included in the Company's fourth quarter and full year 2013 guidance for earnings and funds from operations ("FFO") provided in October 2013. The prepayment costs will be a charge to earnings in the fourth quarter and are expected to reduce the Company's 2013 earnings per share for the fourth quarter and full year by \$0.13 and \$0.13, respectively, and the Company's 2013 FFO per share for the fourth quarter and full year by \$0.12 and \$0.13, respectively.

The offering is being made pursuant to an automatic shelf registration statement that became effective upon filing with the Securities and Exchange Commission on February 27, 2012. J.P. Morgan Securities LLC, Barclays Capital Inc. and BofA Merrill Lynch are acting as lead representatives of the agents for the Notes offering. A pricing supplement, prospectus supplement and related prospectus will be filed with the Securities and Exchange Commission. The preliminary pricing supplement, prospectus supplement and accompanying base prospectus relating to the offering may be obtained by contacting: J.P. Morgan Securities LLC, collect at 212-834-4533, Barclays Capital Inc., toll free at 1-888-603-5847, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, 222 Broadway, New York, NY 10038, Attn: Prospectus Department, email dg.prospectus_requests@baml.com, 1-800-294-1322.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor

shall there be any sale of the Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any offer or sale will be made only by means of a pricing supplement and the related prospectus supplement and prospectus, and, to the extent applicable, a free writing prospectus, which has or will be filed with the Securities and Exchange Commission.

About AvalonBay Communities, Inc.

As of September 30, 2013, the Company owned or held a direct or indirect ownership interest in 276 apartment communities containing 82,584 apartment homes in twelve states and the District of Columbia, of which 29 communities were under construction and five communities were under reconstruction. The Company is an equity REIT in the business of developing, redeveloping, acquiring and managing apartment communities in high barrier-to-entry markets of the United States.

Forward-Looking Statements

This release 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, with respect to the financial condition, results of operations and businesses of the Company. These forward-looking statements, which can be identified by the 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 current expectations, forecasts and assumptions which may not be realized and involve risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated, that could cause actual outcomes and results, financial and otherwise, to differ materially, including the size and intended use of proceeds of the offering. Risks and other factors related to the Company that might cause such differences include, among others, the following: the offering of the Notes described in this release may not be completed or may be completed on terms that differ from the Company’s assumptions at the time this release was issued; the Company may abandon development or redevelopment opportunities for which it has already incurred costs; adverse capital market conditions may affect the Company’s access to various sources of capital and/or cost of capital, which may affect its 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 the Company’s 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; the Company may be unable to obtain, or experience delays in obtaining, necessary governmental permits and authorizations; and increases in costs of materials, labor or other expenses may result in communities that the Company develops or redevelops failing to achieve expected profitability. In addition, the Company’s forecasts are subject to a variety of additional factors and risks, including the risks set forth under “Risk Factors” in the Company’s Form 10-K and in the Company’s other periodic and Form 8-K filings with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events

or the occurrence of unanticipated events except as required by applicable law.

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