

## AvalonBay Communities, Inc.

For Immediate News Release  
July 23, 2002

### AVALONBAY COMMUNITIES, INC. REPORTS SECOND QUARTER 2002 OPERATING RESULTS; ANNOUNCES STOCK REPURCHASE PROGRAM

(Alexandria, VA) AvalonBay Communities, Inc. (NYSE/PCX: AVB) reported today that Earnings per Share ("EPS") for the quarter ended June 30, 2002 was \$0.46 (diluted), compared to \$0.57 (diluted) for the comparable period of 2001, a per share decrease of 19.3%. This decrease is primarily attributable to an increase in depreciation expense coupled with a decrease in rental income. For the six month period ended June 30, 2002, EPS was \$0.97 (diluted) compared to \$1.18 (diluted) for the comparable period of 2001, a per share decrease of 17.8%.

Funds from Operations ("FFO") for the quarter ended June 30, 2002 was \$67,497,000 or \$0.95 per share (diluted) compared to \$71,169,000 or \$1.02 per share (diluted) for the comparable period of 2001, a per share decrease of 6.9%. FFO per share for the six months ended June 30, 2002 decreased by 3.0% to \$1.94 from \$2.00 for the comparable period in 2001.

Net Operating Income ("NOI") from the entire portfolio for the quarter ended June 30, 2002 decreased by \$5,216,000 or 4.5% to \$111,297,000 compared to the comparable period of 2001. NOI for the six months ended June 30, 2002 decreased by 2.2% to \$224,762,000 from \$229,719,000 for the comparable period in 2001.

Included in EPS, NOI and FFO for the three and six month periods ending June 30, 2002 is the recognition of \$2,100,000 and \$5,800,000, respectively, of business interruption insurance related to Avalon at Edgewater.

#### Operating Results for the Quarter Ended June 30, 2002 Compared to the Prior Year Period

Total revenue decreased by \$1,574,000, or 1.0% to \$160,785,000, and earnings before interest, income taxes, depreciation and amortization ("EBITDA") decreased by \$4,564,000 or 4.4% to \$99,967,000.

For Established Communities, rental revenue decreased 6.2%, comprised of a rental rate decline of 3.6% and a decrease in economic occupancy of 2.6%. Total revenue decreased \$7,871,000 to \$119,542,000 and operating expenses increased \$624,000, or 1.8%. Accordingly, NOI decreased by \$8,495,000 or 9.1%.

2Q 02 Compared to 2Q 01				
	Established Communities			Total*
	Rental Revenue	Operating Expenses	NOI	% of NOI
Northeast	(3.7%)	5.6%	(7.2%)	36.2%
Mid-Atlantic	(0.4%)	1.8%	(1.3%)	15.6%
Midwest	(5.1%)	(2.9%)	(6.4%)	4.5%
Pacific NW	(5.5%)	7.9%	(12.0%)	5.5%
No. California	(13.3%)	1.7%	(17.6%)	26.8%
So. California	1.7%	(6.5%)	5.2%	11.4%
Total	(6.2%)	1.8%	(9.1%)	100.0%

\* Total represents each region's % of total NOI from the entire portfolio.

#### Operating Results for the Six Months Ended June 30, 2002 Compared to the Prior Year Period

Total revenue increased by \$2,773,000, or 0.9% to \$320,889,000, and EBITDA decreased by \$2,634,000 or 1.3% to \$201,032,000.

YTD 02 Compared to YTD 01				
	Established Communities			Total*
	Rental Revenue	Operating Expenses	NOI	% of NOI
Northeast	(2.0%)	4.8%	(4.6%)	35.9%
Mid-Atlantic	0.7%	2.1%	0.2%	16.0%
Midwest	(4.2%)	(4.4%)	(4.0%)	4.5%
Pacific NW	(3.7%)	13.6%	(12.0%)	5.4%
No. California	(12.6%)	2.1%	(16.6%)	27.0%
So. California	2.1%	(2.6%)	4.1%	11.2%
Total	(5.1%)	2.1%	(7.7%)	100.0%

\* Total represents each region's % of total NOI from the entire portfolio.

For Established Communities, rental revenue decreased 5.1%, comprised of a rental rate decline of 1.7% and a decrease in economic occupancy of 3.4%. Total revenue at these communities decreased \$12,973,000 to \$240,231,000 and operating expenses increased \$1,411,000, or 2.1%. Accordingly, NOI decreased by \$14,385,000 or 7.7%.

### Established Communities Operating Statistics

Market Rents, as defined below under "Definitions of FFO and Other Terms," declined by an average of 8.6% during the second quarter compared to the same quarter in the prior year. The greatest declines, on a year over year basis, continue to be in Northern California with a decline of 18.5% from the second quarter of 2001. Market Rents in the Midwest also declined 7.6% as compared to the second quarter of 2001.

Sequentially, as compared to the first quarter of 2002, average Market Rents declined by 0.8% across the portfolio. The most significant changes in the second quarter 2002 as compared to the first quarter of 2002 occurred in the following selected submarkets:

Market Rents	
Q2 02 Compared to Q1 02	
Submarket	Change
Northern New Jersey	(3.6%)
Washington DC	(2.8%)
Oakland	(2.4%)
Minneapolis	(2.4%)
Baltimore	1.3%
Fairfield-New Haven	1.3%
Boston	2.0%

Economic Occupancy, as defined below under "Definitions of FFO and Other Terms," during the second quarter 2002 was 93.6%, declining 2.6% over the same quarter last year.

Economic Occupancy increased 0.8% from the first quarter 2002. The most significant changes in the second quarter 2002 as compared to the first quarter of 2002 occurred in the following selected submarkets:

Economic Occupancy	
Q2 02 Compared to Q1 02	
Submarket	Change
Northern New Jersey	(3.5%)
Fairfield-New Haven	(1.9%)
Los Angeles	(1.4%)
Boston	(1.1%)
Central New Jersey	(1.1%)
Orange County	1.3%
Oakland	1.3%
San Jose	4.3%

Early lease terminations decreased 34% across the Established Communities portfolio in the second quarter of 2002 as compared to the second quarter of 2001, and decreased 15% sequentially as compared to the first quarter of 2002.

### Acquisition Activity

The Company acquired two communities during the second quarter; Avalon Greyrock (located in Stamford, Connecticut) and The Promenade (located in Burbank, California). Avalon Greyrock was acquired in connection with the terms of a forward purchase contract agreed to in 1997 with an unrelated party. This high-rise community contains 306 apartment homes, and was acquired for an aggregate acquisition price of \$69,900,000. The Promenade contains 400 apartment homes and was acquired for a price of \$70,300,000 which includes the assumption of \$33,900,000 of floating rate, tax-exempt financing.

### Development and Redevelopment Activity

During the second quarter, the Company commenced construction on one development community, Avalon at Newton Highlands, located in the greater Boston area. When completed, this community will contain 294 apartment homes for a projected total investment of \$58,700,000.

During the second quarter, the Company completed the construction of four communities. Avalon Towers on the Peninsula, located in Mountain View, California, is a high-rise community containing 211 apartment homes which was completed for a total construction cost of \$66,100,000. Avalon Orchards, located in Marlborough, Massachusetts, is a two-story direct entry community containing 156 apartment homes which was completed for a total construction cost of \$21,300,000. Avalon at Freehold, located in Freehold, New Jersey, is a garden-style community containing 296 apartment homes which was completed for a total construction cost of \$34,400,000. Avalon at Edgewater, a mid-rise community located in Edgewater, New Jersey, was completed containing a total of 408 apartment homes for a total construction cost of \$75,000,000, which reflects the net capitalized cost after consideration of insurance reimbursement that totaled \$21,980,000.

The Company also completed the redevelopment of Avalon Bedford, a 368 home high-rise community located in Stamford, Connecticut, for a total of \$60,900,000 (including \$37,500,000 of acquisition cost).

### Financing, Liquidity and Balance Sheet Statistics

As of June 30, 2002, the Company had \$179,700,000 outstanding under its \$500,000,000 unsecured credit facility and unrestricted cash of approximately

\$9,500,000. This available cash, the unsecured credit facility and approximately \$75,000,000 to \$85,000,000 of cash retained from operations annually, is primarily intended for both the development and acquisition of new communities as well as for the redevelopment of existing assets.

Leverage, as measured by debt as a percentage of total capitalization (i.e., market value of common stock, liquidation preference of preferred stock, plus face value of debt) was 39.2% at June 30, 2002. Earnings for the second quarter covered Fixed Charges by 3.1 times and EBITDA covered interest by 3.6 times.

### **Stock Repurchase**

The Company announced that its Board of Directors has authorized a common stock repurchase program. Under this program, the Company may acquire shares of its common stock in open market or negotiated transactions up to an aggregate purchase price of \$100,000,000. Actual purchases of stock will vary with market conditions. The size of the stock repurchase program was designed so that retained cash flow, as well as the proceeds from sales of existing apartment communities and a reduction in planned acquisitions, will provide the source of funding for the program, with the Company's line of credit providing temporary funding as needed.

### **Outlook**

The Company expects third quarter 2002 results for NOI to decline between (9.0%) and (8.0%) compared to the third quarter of 2001. For the third quarter 2002, the Company expects EPS in the range of \$0.51 to \$0.53 and FFO per share in the range of \$0.93 to \$0.97. First Call currently reflects a consensus estimate for full year 2002 FFO per share of \$3.88. The Company is comfortable with the current consensus estimate.

### **Other Matters**

The Company will hold a conference call on July 24, 2002 at 11:00 AM Eastern Time (EST) to review these results and projections. The domestic number to call to participate is 1-877-510-2397. The international number to call to participate is 1-706-634-5877. The domestic number to hear a replay of this call is 1-800-642-1687, and the international number to hear a replay of this call is 1-706-645-9291 - Access Code: 4717179. 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 30 days following the call.

### **About AvalonBay Communities, Inc.**

As of June 30, 2002, AvalonBay owned or held an ownership interest in 146 apartment communities containing 42,914 apartment homes in eleven states and the District of Columbia, of which thirteen communities were under construction and one community was under reconstruction. AvalonBay is an equity REIT in the business of developing, redeveloping, acquiring and managing luxury apartment communities in high barrier-to-entry markets of the United States. More information on AvalonBay may be found on AvalonBay's Website at <http://www.avalonbay.com>. For additional information, please contact Bryce Blair, Chairman, Chief Executive Officer and President, at (703) 317-4652 or Thomas J. Sargeant, Executive Vice President and Chief Financial Officer, at (703) 317-4635.

### **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. The forward-looking statements contained in this release are statements that are subject to certain risks and uncertainties, including, but not limited to, possible changes in demand for apartment homes, the effects of economic conditions, the impact of competition and competitive pricing, changes in construction costs, the results of financing efforts, potential acquisitions under agreement, the effects of the Company's accounting policies and other matters detailed 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, 2001 under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements".

The Company does not undertake a duty to update forward looking statements, including its expected operating results for the third quarter of 2002 and the full year 2002. 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 of FFO and Other Terms**

Management generally considers FFO to be an appropriate supplemental measure of the operating performance of the Company because it provides investors an understanding of the ability of the Company to incur and service debt and to make capital

expenditures. FFO is determined based on a definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"), which may differ from the methodology for computing FFO used by other REITs, and, accordingly, the Company's calculation of FFO may not be comparable to the FFO reported by other REITs. FFO as used by AvalonBay means net income or loss computed in accordance with generally accepted accounting principles ("GAAP"), except that excluded from net income or loss are gains or losses on sales of property and extraordinary (as defined by GAAP) gains or losses on debt restructuring; plus depreciation of real estate assets; and after adjustments for unconsolidated partnerships and joint ventures. A reconciliation of the Company's reported GAAP income to FFO is contained in the earnings release attachments described below. FFO does not represent cash generated from operating activities in accordance with GAAP. Therefore it should not be considered an alternative to net income as an indication of our performance. FFO should also not be considered an alternative to net cash flows from operating activities as determined by GAAP as a measure of liquidity. Additionally, it is not necessarily indicative of cash available to fund cash needs.

Market Rents as reported by the Company are based on the current market rates set by the managers of the Company's communities based on their experience in renting their communities' apartments and publicly available market data. Trends in market rents for a region as reported by others could vary. Market Rents for a period are based on the average Market Rents during that period.

By measuring vacant apartments at their market rates, 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. Economic Occupancy is defined as total possible revenue less vacancy loss as a percentage of total possible revenue. Total possible revenue 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. Concessions are considered in calculating average rental rates although they are not taken into account in the contract rates used to determine Economic Occupancy.

### **Earnings Release Attachments**

The Company produces Earnings Release Attachments (the "Attachments") that provide detailed information regarding operating, development, redevelopment, disposition and acquisition activity. These Attachments are available via the Company's website and through e-mail distribution. Access to the Attachments through the Company's website is available at <http://www.avalonbay.com/earnings>. If you would like to receive future press releases via e-mail, please register through the Company's website at <http://www.avalonbay.com/Template.cfm?Section=Subscribe>. Some items referenced in the earnings release may require the Adobe Acrobat 4.0 Reader. If you do not have the Adobe Acrobat 4.0 Reader, you may download it at the following website address: <http://www.adobe.com/products/acrobat/readstep.html>.

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# AvalonBay

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COMMUNITIES, INC.

## SECOND QUARTER 2002

### Supplemental Operating and Financial Data



*Located in the heart of historic Monmouth County, Avalon at Freehold is the first luxury rental community to be built in Freehold in nearly half a century. Avalon at Freehold's perfect location helps residents make the most of their time with easy access to the surrounding major highways. Routes 33 and 9, the Garden State Parkway, 195 and the New Jersey Turnpike are all easily accessible, making for a convenient commute to areas such as Princeton, Eatontown, Newark and New York City.*

*After work residents are minutes to the area's most desirable shopping at the Freehold Raceway Mall, quaint downtown cafes, theaters and night life. In addition, the surrounding area offers an abundance of recreational activities including golf courses, the Freehold Raceway, historic Monmouth Battlefield State Park and the pristine beaches of the Jersey Shore. Or, residents may simply choose to spend time at home enjoying the many amenities of Avalon at Freehold - whether relaxing by the pool, enjoying the fitness center or just having a quiet conversation by the fireside lounge.*

*With everything Avalon at Freehold has to offer, residents will have more time for the things most important to them. We call that Time Well Spent.*

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# SECOND QUARTER 2002

## Supplemental Operating and Financial Data

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**Attachment 1**

**AvalonBay Communities, Inc.**  
**Selected Operating and Other Information**  
**June 30, 2002**  
(Dollars in thousands except per share data)  
(unaudited)

<b>Selected Operating Information:</b>	Q2 2002	Q2 2001	% Change	YTD 2002	YTD 2001	% Change
Net income available to common stockholders:						
Per common share - basic	\$ 32,315	\$ 39,131	(17.4%)	\$ 68,005	\$ 80,785	(15.8%)
Per common share - diluted	\$ 0.47	\$ 0.58	(19.0%)	\$ 0.99	\$ 1.20	(17.5%)
Funds from Operations :	\$ 0.46	\$ 0.57	(19.3%)	\$ 0.97	\$ 1.18	(17.8%)
Per common share - basic	\$ 67,497	\$ 71,169	(5.2%)	\$ 137,207	\$ 138,868	(1.2%)
Per common share - diluted	\$ 0.97	\$ 1.05	(7.6%)	\$ 1.98	\$ 2.05	(3.4%)
Dividends declared - common:	\$ 0.95	\$ 1.02	(6.9%)	\$ 1.94	\$ 2.00	(3.0%)
Per common share	\$ 48,562	\$ 43,464	11.7%	\$ 96,852	\$ 86,717	11.7%
Total EBITDA	\$ 0.70	\$ 0.64	9.4%	\$ 1.40	\$ 1.28	9.4%
Common shares outstanding	\$ 99,967	\$ 104,531	(4.4%)	\$ 201,032	\$ 203,666	(1.3%)
Outstanding units	69,374,890	67,912,560		69,374,890	67,912,560	
Total outstanding shares and units	1,008,701	671,083		1,008,701	671,083	
Average shares outstanding - basic	70,383,591	68,583,643		70,383,591	68,583,643	
Average units outstanding	69,080,865	67,606,299		68,824,022	67,419,896	
Effect of dilutive securities	1,005,313	671,083		955,904	670,947	
Average shares outstanding - diluted	1,108,571	1,192,266		1,128,051	1,276,419	
	71,194,749	69,469,648		70,907,977	69,367,262	

**Debt Composition and Maturities**

	Conventional		Tax-Exempt	
	Amt	% of Mkt Cap	Amt	% of Mkt Cap
Long-term notes:				
Variable rate	\$ --	--	\$ 101,860	1.8%
Fixed rate	1,659,764	28.6%	296,086	5.1%
Variable rate facility & short term note	215,789	3.7%	--	--
Total debt	\$ 1,875,553	32.3%	\$ 397,946	6.9%
Average interest rates <sup>(1)</sup>	6.9%		5.8%	
Combined average interest rate <sup>(2)</sup>	6.7%			

	2002	2003	2004	2005	2006
Maturities <sup>(2)</sup>	\$ 137,743	\$ 153,538	\$ 152,759	\$ 153,705	\$ 153,971

(1) Includes credit enhancement fees, facility fees, trustees, etc.

(2) Excludes \$500 million credit facility that, after all extensions, matures in 2005.

**Community Information**

	Communities	Apt Homes
Current Communities	133	39,126
Development Communities	13	3,788
Development Rights	33	9,533
Third-party management	1	101

**Analysis of Capitalized Costs**

	Q3 01	Q4 01	Q1 02	Q2 02
Cap Interest	\$ 7,221	\$ 8,295	\$ 8,651	\$ 8,020
Cap Overhead	\$ 5,094	\$ 5,683	\$ 5,602	\$ 4,665
Non-Revenue				
Cap/X per Home	\$ 125	\$ 60	\$ 50	\$ 82

**Attachment 2**

**AvalonBay Communities, Inc.**  
**Detailed Operating Information**  
**June 30, 2002**  
(Dollars in thousands except per share data)  
(unaudited)

	Q2 2002	Q2 2001	% Change	YTD 2002	YTD 2001	% Change
<b>Revenue:</b>						
Rental income	\$ 158,023	\$ 161,932	(2.4%)	\$ 313,202	\$ 317,261	(1.3%)
Management fees	471	318	48.1%	859	649	32.4%
Other income <sup>(1)</sup>	2,291	109	2,001.8%	6,828	206	3,214.6%
<b>Total</b>	<b>160,785</b>	<b>162,359</b>	<b>(1.0%)</b>	<b>320,889</b>	<b>318,116</b>	<b>0.9%</b>
<b>Operating expenses:</b>						
Property operating expenses, excluding property taxes	35,816	32,933	8.8%	68,840	62,686	9.8%
Property taxes	13,671	12,912	5.9%	27,287	25,710	6.1%
Other operating expenses	7,463	7,898	(5.5%)	16,283	17,945	(9.3%)
<b>Total</b>	<b>56,950</b>	<b>53,743</b>	<b>6.0%</b>	<b>112,410</b>	<b>106,341</b>	<b>5.7%</b>
Interest income	973	1,461	(33.4%)	2,105	3,277	(35.8%)
Interest expense	(28,550)	(25,313)	12.8%	(56,093)	(48,437)	15.8%
General and administrative	(3,483)	(3,743)	(6.9%)	(7,177)	(7,548)	(4.9%)
Joint venture income and minority interest	(385)	(342)	12.6%	(270)	(561)	(51.9%)
Depreciation	(35,044)	(32,161)	9.0%	(68,977)	(63,290)	9.0%
<b>Income before gain on sale</b>	<b>37,346</b>	<b>48,518</b>	<b>(23.0%)</b>	<b>78,067</b>	<b>95,216</b>	<b>(18.0%)</b>
Gain on sale of communities	--	--	--	--	4,901	(100.0%)
<b>Net income</b>	<b>37,346</b>	<b>48,518</b>	<b>(23.0%)</b>	<b>78,067</b>	<b>100,117</b>	<b>(22.0%)</b>
Dividends attributable to preferred stock	(5,031)	(9,387)	(46.4%)	(10,062)	(19,332)	(48.0%)
<b>Net income available to common stockholders</b>	<b>\$ 32,315</b>	<b>\$ 39,131</b>	<b>(17.4%)</b>	<b>\$ 68,005</b>	<b>\$ 80,785</b>	<b>(15.8%)</b>
<b>Net income per common share- basic</b>	<b>\$ 0.47</b>	<b>\$ 0.58</b>	<b>(19.0%)</b>	<b>\$ 0.99</b>	<b>\$ 1.20</b>	<b>(17.5%)</b>
<b>Net income per common share- diluted</b>	<b>\$ 0.46</b>	<b>\$ 0.57</b>	<b>(19.3%)</b>	<b>\$ 0.97</b>	<b>\$ 1.18</b>	<b>(17.8%)</b>
<b>Calculation of Funds from Operations ("FFO"):</b>						
Net income	\$ 37,346	\$ 48,518	(23.0%)	\$ 78,067	\$ 100,117	(22.0%)
Dividends attributable to preferred stock	(5,031)	(9,387)	(46.4%)	(10,062)	(19,332)	(48.0%)
Depreciation (real estate related)	34,460	31,377	9.8%	67,754	61,671	9.9%
Joint venture adjustments	317	269	17.8%	638	530	20.4%
Minority interest	405	392	3.3%	810	783	3.4%
Gain on sale of communities	--	--	--	--	(4,901)	(100.0%)
<b>FFO available to Common Stockholders</b>	<b>\$ 67,497</b>	<b>\$ 71,169</b>	<b>(5.2%)</b>	<b>\$ 137,207</b>	<b>\$ 138,868</b>	<b>(1.2%)</b>
<b>FFO per Common Share - Basic</b>	<b>\$ 0.97</b>	<b>\$ 1.05</b>	<b>(7.6%)</b>	<b>\$ 1.98</b>	<b>\$ 2.05</b>	<b>(3.4%)</b>
<b>FFO per Common Share - Diluted</b>	<b>\$ 0.95</b>	<b>\$ 1.02</b>	<b>(6.9%)</b>	<b>\$ 1.94</b>	<b>\$ 2.00</b>	<b>(3.0%)</b>

<sup>(1)</sup> In 2002, year-to-date Other income includes \$5.8 million (\$2.1 million recognized in the second quarter) of business interruption insurance proceeds related to the Avalon at Edgewater insurance settlement.

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**Attachment 3**

**AvalonBay Communities, Inc.**  
**Condensed Consolidated Balance Sheets**  
**June 30, 2002**  
(Dollars in thousands)  
(unaudited)

	June 30, 2002	December 31, 2001
Net real estate	\$ 4,338,403	\$ 3,956,536
Construction in progress (including land)	364,314	434,307
Total real estate, net	<u>4,702,717</u>	<u>4,390,843</u>
Cash and cash equivalents	9,492	72,986
Cash in escrow	12,610	49,965
Resident security deposits	21,237	20,370
Other assets	125,141	130,125
Total assets	<u>\$ 4,871,197</u>	<u>\$ 4,664,289</u>
Unsecured senior notes	\$ 1,635,000	\$ 1,635,000
Unsecured facility	179,700	--
Notes payable	458,800	447,769
Other liabilities	214,313	211,772
Total liabilities	<u>\$ 2,487,813</u>	<u>\$ 2,294,541</u>
Minority interest	75,671	55,193
Stockholders' equity	<u>2,307,713</u>	<u>2,314,555</u>
Total liabilities and stockholders' equity	<u>\$ 4,871,197</u>	<u>\$ 4,664,289</u>

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**Attachment 4**

**AvalonBay Communities, Inc.**  
**Quarterly Revenue and Occupancy Changes - Established Communities <sup>(1)</sup>**  
**June 30, 2002**

	Apartment Homes	Average Rental Rates <sup>(2)</sup>			Economic Occupancy			Rental Revenue (\$000's)		
		Q2 02	Q2 01	% Change	Q2 02	Q2 01	% Change	Q2 02	Q2 01	% Change
<b>Northeast</b>										
Boston, MA	1,163	\$ 1,796	\$ 1,769	1.5%	93.6%	97.0%	(3.4%)	\$ 5,864	\$ 5,980	(1.9%)
Fairfield-New Haven, CT	2,042	1,682	1,620	3.8%	93.5%	98.2%	(4.7%)	9,633	9,725	(0.9%)
Northern New Jersey	1,124	2,473	2,532	(2.3%)	84.7%	97.4%	(12.7%)	7,088	8,339	(15.0%)
Central New Jersey	718	1,480	1,420	4.2%	91.5%	96.7%	(5.2%)	2,915	2,945	(1.0%)
Long Island, NY	915	2,152	2,011	7.0%	98.4%	98.9%	(0.5%)	5,813	5,457	6.5%
New York, NY	1,234	2,016	1,996	1.0%	91.4%	97.3%	(5.9%)	6,817	7,166	(4.9%)
Northeast Average	<u>7,196</u>	<u>1,922</u>	<u>1,882</u>	<u>2.1%</u>	<u>91.9%</u>	<u>97.7%</u>	<u>(5.8%)</u>	<u>38,130</u>	<u>39,612</u>	<u>(3.7%)</u>
<b>Mid-Atlantic</b>										
Washington, DC	4,100	1,412	1,390	1.6%	93.6%	96.8%	(3.2%)	16,257	16,515	(1.6%)
Baltimore, MD	1,054	1,108	1,036	6.9%	96.2%	97.4%	(1.2%)	3,371	3,188	5.7%
Mid-Atlantic Average	<u>5,154</u>	<u>1,350</u>	<u>1,317</u>	<u>2.5%</u>	<u>94.0%</u>	<u>96.9%</u>	<u>(2.9%)</u>	<u>19,628</u>	<u>19,703</u>	<u>(0.4%)</u>
<b>Midwest</b>										
Minneapolis, MN	1,328	1,063	1,069	(0.6%)	94.6%	96.8%	(2.2%)	4,008	4,122	(2.8%)
Chicago, IL	1,296	1,200	1,255	(4.4%)	93.2%	95.9%	(2.7%)	4,348	4,679	(7.1%)
Midwest Average	<u>2,624</u>	<u>1,131</u>	<u>1,162</u>	<u>(2.7%)</u>	<u>93.9%</u>	<u>96.3%</u>	<u>(2.4%)</u>	<u>8,356</u>	<u>8,801</u>	<u>(5.1%)</u>
<b>Pacific Northwest</b>										
Seattle, WA	907	1,069	1,105	(3.3%)	93.5%	95.7%	(2.2%)	2,720	2,877	(5.5%)
Pacific Northwest Average	<u>907</u>	<u>1,069</u>	<u>1,105</u>	<u>(3.3%)</u>	<u>93.5%</u>	<u>95.7%</u>	<u>(2.2%)</u>	<u>2,720</u>	<u>2,877</u>	<u>(5.5%)</u>
<b>Northern California</b>										
San Jose, CA	5,034	1,636	1,952	(16.2%)	95.0%	95.0%	0.0%	23,467	28,020	(16.2%)
Oakland-East Bay, CA	2,090	1,366	1,488	(8.2%)	94.2%	94.4%	(0.2%)	8,063	8,807	(8.4%)
San Francisco, CA	1,477	1,719	1,907	(9.9%)	94.7%	93.0%	1.7%	7,209	7,849	(8.2%)
Northern California Average	<u>8,601</u>	<u>1,584</u>	<u>1,831</u>	<u>(13.5%)</u>	<u>94.8%</u>	<u>94.6%</u>	<u>0.2%</u>	<u>38,739</u>	<u>44,676</u>	<u>(13.3%)</u>
<b>Southern California</b>										
Orange County, CA	1,574	1,216	1,165	4.4%	94.0%	96.1%	(2.1%)	5,398	5,277	2.3%
San Diego, CA	940	1,244	1,208	3.0%	95.4%	96.7%	(1.3%)	3,347	3,290	1.7%
Los Angeles, CA	890	1,286	1,236	4.0%	92.4%	95.9%	(3.5%)	3,174	3,157	0.5%
Southern California Average	<u>3,404</u>	<u>1,242</u>	<u>1,194</u>	<u>4.0%</u>	<u>93.9%</u>	<u>96.2%</u>	<u>(2.3%)</u>	<u>11,919</u>	<u>11,724</u>	<u>1.7%</u>
Average/Total Established	<u>27,886</u>	<u>\$ 1,527</u>	<u>\$ 1,584</u>	<u>(3.6%)</u>	<u>93.6%</u>	<u>96.2%</u>	<u>(2.6%)</u>	<u>\$ 119,492</u>	<u>\$ 127,393</u>	<u>(6.2%)</u>

(1) Established Communities are communities with stabilized operating costs as of January 1, 2001 such that a comparison of 2001 to 2002 is meaningful.

(2) Reflects the effect of concessions amortized over the lease term.

**Attachment 5**

**AvalonBay Communities, Inc.**  
**\*Sequential Quarterly\* Revenue and Occupancy Changes - Established Communities <sup>(1)</sup>**

**June 30, 2002**

	Apartment Homes	Average Rental Rates <sup>(2)</sup>			Economic Occupancy			Rental Revenue (\$000's)		
		Q2 02	Q1 02	% Change	Q2 02	Q1 02	% Change	Q2 02	Q1 02	% Change
<b>Northeast</b>										
Boston, MA	1,163	\$ 1,796	\$ 1,823	(1.5%)	93.6%	94.7%	(1.1%)	\$ 5,864	\$ 6,025	(2.7%)
Fairfield-New Haven, CT	2,042	1,682	1,633	3.0%	93.5%	95.4%	(1.9%)	9,633	9,536	1.0%
Northern New Jersey	1,124	2,473	2,561	(3.4%)	84.7%	88.2%	(3.5%)	7,088	7,613	(6.9%)
Central New Jersey	718	1,480	1,463	1.2%	91.5%	92.6%	(1.1%)	2,915	2,918	(0.1%)
Long Island, NY	915	2,152	2,109	2.0%	98.4%	97.8%	0.6%	5,813	5,661	2.7%
New York, NY	1,234	2,016	2,025	(0.4%)	91.4%	90.6%	0.8%	6,817	6,789	0.4%
Northeast Average	<u>7,196</u>	<u>1,922</u>	<u>1,919</u>	<u>0.2%</u>	<u>91.9%</u>	<u>93.0%</u>	<u>(1.1%)</u>	<u>38,130</u>	<u>38,542</u>	<u>(1.1%)</u>
<b>Mid-Atlantic</b>										
Washington, DC	4,100	1,412	1,430	(1.3%)	93.6%	92.7%	0.9%	16,257	16,311	(0.3%)
Baltimore, MD	1,054	1,108	1,086	2.0%	96.2%	96.2%	0.0%	3,371	3,301	2.1%
Mid-Atlantic Average	<u>5,154</u>	<u>1,350</u>	<u>1,359</u>	<u>(0.7%)</u>	<u>94.0%</u>	<u>93.3%</u>	<u>0.7%</u>	<u>19,628</u>	<u>19,612</u>	<u>0.1%</u>
<b>Midwest</b>										
Minneapolis, MN	1,328	1,063	1,074	(1.0%)	94.6%	93.5%	1.1%	4,008	4,002	0.1%
Chicago, IL	1,296	1,200	1,230	(2.4%)	93.2%	93.7%	(0.5%)	4,348	4,482	(3.0%)
Midwest Average	<u>2,624</u>	<u>1,131</u>	<u>1,151</u>	<u>(1.7%)</u>	<u>93.9%</u>	<u>93.6%</u>	<u>0.3%</u>	<u>8,356</u>	<u>8,484</u>	<u>(1.5%)</u>
<b>Pacific Northwest</b>										
Seattle, WA	907	1,069	1,073	(0.4%)	93.5%	93.6%	(0.1%)	2,720	2,733	(0.5%)
Pacific Northwest Average	<u>907</u>	<u>1,069</u>	<u>1,073</u>	<u>(0.4%)</u>	<u>93.5%</u>	<u>93.6%</u>	<u>(0.1%)</u>	<u>2,720</u>	<u>2,733</u>	<u>(0.5%)</u>
<b>Northern California</b>										
San Jose, CA	5,034	1,636	1,730	(5.4%)	95.0%	90.7%	4.3%	23,467	23,709	(1.0%)
Oakland-East Bay, CA	2,090	1,366	1,416	(3.5%)	94.2%	92.9%	1.3%	8,063	8,242	(2.2%)
San Francisco, CA	1,477	1,719	1,762	(2.4%)	94.7%	95.6%	(0.9%)	7,209	7,466	(3.4%)
Northern California Average	<u>8,601</u>	<u>1,584</u>	<u>1,660</u>	<u>(4.6%)</u>	<u>94.8%</u>	<u>92.0%</u>	<u>2.8%</u>	<u>38,739</u>	<u>39,417</u>	<u>(1.7%)</u>
<b>Southern California</b>										
Orange County, CA	1,574	1,216	1,218	(0.2%)	94.0%	92.7%	1.3%	5,398	5,331	1.3%
San Diego, CA	940	1,244	1,246	(0.2%)	95.4%	94.3%	1.1%	3,347	3,315	1.0%
Los Angeles, CA	890	1,286	1,291	(0.4%)	92.4%	93.8%	(1.4%)	3,174	3,231	(1.8%)
Southern California Average	<u>3,404</u>	<u>1,242</u>	<u>1,245</u>	<u>(0.2%)</u>	<u>93.9%</u>	<u>93.4%</u>	<u>0.5%</u>	<u>11,919</u>	<u>11,877</u>	<u>0.4%</u>
Average/Total Established	<u>27,886</u>	<u>\$ 1,527</u>	<u>\$ 1,554</u>	<u>(1.7%)</u>	<u>93.6%</u>	<u>92.8%</u>	<u>0.8%</u>	<u>119,492</u>	<u>120,665</u>	<u>(1.0%)</u>

(1) Established Communities are communities with stabilized operating costs as of January 1, 2001 such that a comparison of 2001 to 2002 is meaningful.

(2) Reflects the effect of concessions amortized over the lease term.

**Attachment 6**

**AvalonBay Communities, Inc.**  
**Year to Date Revenue and Occupancy Changes - Established Communities <sup>(1)</sup>**

**June 30, 2002**

	Apartment Homes	Average Rental Rates <sup>(2)</sup>			Economic Occupancy			Rental Revenue (\$000's)		
		YTD 02	YTD 01	% Change	YTD 02	YTD 01	% Change	YTD 02	YTD 01	% Change
<b>Northeast</b>										
Boston, MA	1,163	\$ 1,810	\$ 1,743	3.8%	94.2%	97.5%	(3.3%)	\$ 11,890	\$ 11,833	0.5%
Fairfield-New Haven, CT	2,042	1,657	1,593	4.0%	94.4%	98.4%	(4.0%)	19,169	19,172	0.0%
Northern New Jersey	1,124	2,522	2,524	(0.1%)	86.4%	97.7%	(11.3%)	14,701	16,585	(11.4%)
Central New Jersey	718	1,472	1,395	5.5%	92.0%	97.2%	(5.2%)	5,833	5,816	0.3%
Long Island, NY	915	2,130	1,985	7.3%	98.1%	99.2%	(1.1%)	11,474	10,800	6.2%
New York, NY	1,234	2,020	1,970	2.5%	91.0%	96.7%	(5.7%)	13,606	14,053	(3.2%)
Northeast Average	<u>7,196</u>	<u>1,920</u>	<u>1,858</u>	<u>3.3%</u>	<u>92.5%</u>	<u>97.8%</u>	<u>(5.3%)</u>	<u>76,673</u>	<u>78,259</u>	<u>(2.0%)</u>
<b>Mid-Atlantic</b>										
Washington, DC	4,100	1,421	1,380	3.0%	93.2%	96.5%	(3.3%)	32,568	32,674	(0.3%)
Baltimore, MD	1,054	1,097	1,023	7.2%	96.2%	97.4%	(1.2%)	6,672	6,295	6.0%
Mid-Atlantic Average	<u>5,154</u>	<u>1,355</u>	<u>1,307</u>	<u>3.7%</u>	<u>93.7%</u>	<u>96.7%</u>	<u>(3.0%)</u>	<u>39,240</u>	<u>38,969</u>	<u>0.7%</u>
<b>Midwest</b>										
Minneapolis, MN	1,328	1,068	1,059	0.8%	94.1%	97.1%	(3.0%)	8,009	8,191	(2.2%)
Chicago, IL	1,296	1,215	1,246	(2.5%)	93.5%	96.8%	(3.3%)	8,830	9,378	(5.8%)
Midwest Average	<u>2,624</u>	<u>1,141</u>	<u>1,154</u>	<u>(1.1%)</u>	<u>93.8%</u>	<u>96.9%</u>	<u>(3.1%)</u>	<u>16,839</u>	<u>17,569</u>	<u>(4.2%)</u>
<b>Pacific Northwest</b>										
Seattle, WA	907	1,071	1,098	(2.5%)	93.6%	94.8%	(1.2%)	5,453	5,661	(3.7%)
Pacific Northwest Average	<u>907</u>	<u>1,071</u>	<u>1,098</u>	<u>(2.5%)</u>	<u>93.6%</u>	<u>94.8%</u>	<u>(1.2%)</u>	<u>5,453</u>	<u>5,661</u>	<u>(3.7%)</u>
<b>Northern California</b>										
San Jose, CA	5,034	1,683	1,922	(12.4%)	92.8%	96.3%	(3.5%)	47,175	56,104	(15.9%)
Oakland-East Bay, CA	2,090	1,391	1,477	(5.8%)	93.5%	94.8%	(1.3%)	16,305	17,549	(7.1%)
San Francisco, CA	1,477	1,741	1,886	(7.7%)	95.1%	94.2%	0.9%	14,676	15,746	(6.8%)
Northern California Average	<u>8,601</u>	<u>1,622</u>	<u>1,811</u>	<u>(10.4%)</u>	<u>93.4%</u>	<u>95.6%</u>	<u>(2.2%)</u>	<u>78,156</u>	<u>89,399</u>	<u>(12.6%)</u>
<b>Southern California</b>										
Orange County, CA	1,574	1,217	1,161	4.8%	93.4%	96.1%	(2.7%)	10,729	10,510	2.1%
San Diego, CA	940	1,245	1,195	4.2%	94.9%	96.9%	(2.0%)	6,662	6,518	2.2%
Los Angeles, CA	890	1,289	1,225	5.2%	93.1%	96.3%	(3.2%)	6,405	6,279	2.0%
Southern California Average	<u>3,404</u>	<u>1,244</u>	<u>1,187</u>	<u>4.8%</u>	<u>93.7%</u>	<u>96.4%</u>	<u>(2.7%)</u>	<u>23,796</u>	<u>23,307</u>	<u>2.1%</u>
Average/Total Established	<u>27,886</u>	<u>\$ 1,540</u>	<u>\$ 1,567</u>	<u>(1.7%)</u>	<u>93.2%</u>	<u>96.6%</u>	<u>(3.4%)</u>	<u>\$ 240,157</u>	<u>\$ 253,164</u>	<u>(5.1%)</u>

(1) Established Communities are communities with stabilized operating costs as of January 1, 2001 such that a comparison of 2001 to 2002 is meaningful.

(2) Reflects the effect of concessions amortized over the lease term.

**Attachment 7**

**AvalonBay Communities, Inc.**  
**Capitalized Community and Corporate Expenditures and Expensed Community Maintenance Costs**  
**For the Year Ended December 31, 2001**  
(Dollars in thousands except per home data)

Current Communities <sup>(1)</sup>	Apartment Homes <sup>(2)</sup>	Balance at 12-31-01 <sup>(3)</sup>	Balance at 12-31-00 <sup>(3)</sup>	2001 Add'l Capitalized Value	Categorization of 2001 Add'l Capitalized Value <sup>(4)</sup>				Non-Rev Generating Capex Per Home	2001 Maintenance Expensed Per Home <sup>(6)</sup>		
					Acquisitions, Construction, Redevelopment & Dispositions	Revenue Generating <sup>(5)</sup>	Non-Rev Generating	Total		Carpet Replacement	Other Maintenance	Total
Established Communities	23,753	\$ 2,234,364	\$ 2,226,449	\$ 7,915	\$ (598)	\$ 1,563	\$ 6,950	\$ 7,915	\$ 293	\$ 144	\$ 1,037	\$ 1,181
Other Stabilized Communities	8,049	854,388	847,979	6,409	5,280	112	1,017	6,409	126	91	1,151	1,242
<b>Total Stabilized</b>	<b>31,802</b>	<b>3,088,752</b>	<b>3,074,428</b>	<b>14,324</b>	<b>4,682</b>	<b>1,675</b>	<b>7,967</b>	<b>14,324</b>	<b>251</b>	<b>131</b>	<b>1,066</b>	<b>1,196</b>
Development Communities	5,619	694,082	323,540	370,542	370,542	--	--	370,542	--	8	225	233
Dispositions	--	--	157,940	(157,940)	(157,940)	--	--	(157,940)	--	146	903	1,049
Current Communities Under Redevelopment	--	--	--	--	--	--	--	--	--	--	--	--
Acquisitions Acquired for Redevelopment												
Avalon at Media Center	748	52,548	41,353	11,195	11,194	--	1	11,195	1	9	759	769
Avalon at Cortez Hill	294	31,513	26,754	4,759	4,758	--	--	4,758	--	14	908	922
Prudential Center	781	118,746	108,558	10,188	10,183	--	6	10,189	8	--	2,385	2,385
Total Redevelopment	1,823	202,807	176,665	26,142	26,135	--	7	26,142	4	6	1,480	1,486
Corporate	--	27,110	22,850	4,260	--	--	4,260	4,260 <sup>(7)</sup>	--	--	--	--
<b>Total</b>	<b>39,244</b>	<b>\$ 4,012,751</b>	<b>\$ 3,755,423</b>	<b>\$ 257,328</b>	<b>\$ 243,419</b>	<b>\$ 1,675</b>	<b>\$ 12,234</b>	<b>\$ 257,328</b>	<b>\$ 203 <sup>(8)</sup></b>	<b>\$ 117 <sup>(9)</sup></b>	<b>\$ 1,091 <sup>(9)</sup></b>	<b>\$ 1,208</b>

(1) For the purpose of this table, Current Communities excludes communities held by unconsolidated real estate joint ventures.

(2) Apartment homes as of 12/31/01.

(3) Total gross fixed assets excluding land.

(4) Policy is to capitalize if the item exceeds \$15 and extends the useful life of the asset. Personal property is capitalized if the item is a new addition and it exceeds \$2.5.

(5) Represents expenditures on water sub-metering equipment and cable installations.

(6) Other maintenance includes appliance replacement costs and maintenance payroll costs.

(7) Capitalized corporate costs include PeopleSoft HR, Foundation and Corporate capitalized FF&E.

(8) Total non-revenue generating capitalized costs per home excludes corporate capitalized costs.

(9) Total 2001 maintenance expensed per home excludes maintenance costs related to Dispositions.

**Attachment 8****AvalonBay Communities, Inc.  
Summary of Development, Redevelopment and Acquisition Activity as of June 30, 2002**

		Number of Communities	Number of Homes	Dollar Value (millions)
<b>Portfolio Additions:</b>				
2001 Annual (Actual)				
Development		6	1,656	\$ 273.8
Redevelopment	(1)	1	--	10.2
Presale Communities		3	995	129.3
Total Additions		<u>10</u>	<u>2,651</u>	<u>\$ 413.3</u>
2002 Annual (2)				
Development		10	2,521	\$ 471.0
Redevelopment	(1)	3	--	64.8
Presale Communities		1	306	69.9
Total Additions		<u>14</u>	<u>2,827</u>	<u>\$ 605.7</u>
<b>Pipeline Activity:</b> (2)				
Currently Under Construction				
Development Communities		13	3,788	\$ 712.7
Redevelopment Communities	(1)	1	--	20.6
Subtotal		<u>14</u>	<u>3,788</u>	<u>\$ 733.3</u>
Planning				
Presale Communities		1	206	\$ 59.2
Development Rights		33	9,533	1,948.0
Subtotal		<u>34</u>	<u>9,739</u>	<u>\$ 2,007.2</u>
Total Pipeline		<u>48</u>	<u>13,527</u>	<u>\$ 2,740.5</u>

(1) Represents only cost of redevelopment activity, does not include original acquisition cost or number of apartment homes acquired.

(2) Contains projections and estimates.

The following is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities and Exchange Act of 1934, as amended. The projections and estimates contained in the table above are forward-looking statements. These forward-looking statements 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 made, include: development opportunities may be abandoned; construction costs of a community may exceed original estimates, possibly making the community uneconomical and/or affecting projecting returns; and construction and lease-up may not be completed on schedule, resulting in increased debt service and construction costs.

**Attachment 9**

**AvalonBay Communities, Inc.**  
**Development Communities as of June 30, 2002**

	# of Apt Homes	Budgeted Cost (1) (millions)	Schedule				Avg Rent Per Home (3)	% Comp (4)	% Leased (5)	% Occ (6)
			Start	Initial Occupancy	Complete	Stabilized Ops (2)				
<b>Under Construction:</b>										
1. Avalon on Stamford Harbor Stamford, CT	323	\$ 60.7	Q3 2000	Q1 2002	Q1 2003	Q3 2003	\$ 2,192	51.7%	29.7%	21.1%
2. Avalon at Cahill Park San Jose, CA	218	\$ 50.5	Q4 2000	Q4 2001	Q4 2002	Q2 2003	\$ 1,965	45.4%	48.2%	36.7%
3. Avalon Riverview I Long Island City, NY	372	\$ 97.5	Q4 2000	Q2 2002	Q4 2002	Q2 2003	\$ 2,730	83.9%	44.1%	37.4%
4. Avalon at Mission Bay North San Francisco, CA	250	\$ 79.5	Q1 2001	Q4 2002	Q1 2003	Q3 2003	\$ 3,065	N/A	N/A	N/A
5. Avalon Ledges Weymouth, MA	304	\$ 37.7	Q2 2001	Q2 2002	Q4 2002	Q2 2003	\$ 1,645	67.8%	55.9%	41.8%
6. Avalon at Arlington Square II Arlington, VA	332	\$ 43.9	Q3 2001	Q2 2002	Q3 2002	Q2 2003	\$ 1,695	79.5%	45.8%	35.5%
7. Avalon at Flanders Hill Westborough, MA	280	\$ 38.4	Q3 2001	Q2 2002	Q2 2003	Q4 2003	\$ 1,685	28.6%	30.0%	18.9%
8. Avalon New Canaan (7) New Canaan, CT	104	\$ 27.2	Q3 2001	Q2 2002	Q4 2002	Q2 2003	\$ 2,840	34.6%	32.7%	26.9%
9. Avalon at Rock Spring (7) North Bethesda, MD	386	\$ 45.9	Q4 2001	Q1 2003	Q3 2003	Q1 2004	\$ 1,660	N/A	N/A	N/A
10. Avalon at Gallery Place I (8) Washington, DC	203	\$ 50.0	Q4 2001	Q3 2003	Q4 2003	Q2 2004	\$ 2,485	N/A	N/A	N/A
11. Avalon at Glendale Court Glendale, CA	223	\$ 40.4	Q1 2002	Q2 2003	Q1 2004	Q3 2004	\$ 2,480	N/A	N/A	N/A
12. Avalon at Grosvenor Station (9) (10) North Bethesda, MD	499	\$ 82.3	Q1 2002	Q3 2003	Q4 2004	Q2 2005	\$ 1,695	N/A	N/A	N/A
13. Avalon at Newton Highlands (9) Newton, MA	294	\$ 58.7	Q2 2002	Q3 2003	Q1 2004	Q3 2004	\$ 2,355	N/A	N/A	N/A
Subtotal	<u>3,788</u>	<u>\$ 712.7</u>								
<b>Completed this Quarter:</b>										
1. Avalon at Edgewater Edgewater, NJ	408	\$ 75.0	Q3 1999	Q2 2001	Q2 2002	Q4 2002	\$ 2,360	100.0%	83.1%	78.2%
2. Avalon at Freehold Freehold, NJ	296	\$ 34.4	Q2 2000	Q3 2001	Q2 2002	Q3 2002	\$ 1,590	100.0%	97.6%	96.6%
3. Avalon Towers on the Peninsula Mountain View, CA	211	\$ 66.1	Q3 2000	Q1 2002	Q2 2002	Q4 2002	\$ 2,420	100.0%	90.5%	79.1%
4. Avalon Orchards Marlborough, MA	156	\$ 21.3	Q2 2001	Q1 2002	Q2 2002	Q4 2002	\$ 1,560	100.0%	85.3%	83.3%
Subtotal	<u>1,071</u>	<u>\$ 196.8</u>								
Total	<u>4,859</u>	<u>\$ 909.5</u>								
Weighted Average Projected EBITDA as a % of Total Budgeted Cost (11)		9.1%								

- (1) Total Budgeted Cost includes all capitalized costs projected to be incurred to develop the respective Development 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 determined in accordance with generally accepted accounting principles ("GAAP").
- (2) Stabilized operations is defined as the first full quarter of 95% or greater occupancy after completion of construction.
- (3) For communities in lease-up, "Avg Rent Per Home" reflects (a) actual average leased rents for those apartments leased through the end of the quarter, and (b) estimated market rents for all unleased apartments. For communities not yet in lease-up, "Average Rent Per Home" reflects pro forma projections.
- (4) Includes apartment homes for which construction has been completed and accepted by management as of July 19, 2002.
- (5) Includes apartment homes for which leases have been executed or non-refundable deposits have been paid as of July 19, 2002.
- (6) Includes apartment homes occupied as of July 19, 2002.
- (7) The community is owned by a limited liability company or a limited partnership in which the Company is a majority partner. The costs reflected above exclude construction and management fees due to AvalonBay.
- (8) The Budgeted Cost for this community excludes approximately \$4 million of proceeds that the Company expects to receive upon the sale of transferable development rights associated with the development of the community. These rights do not become transferable until construction completion and there can be no assurance that the projected amount of proceeds will be achieved.
- (9) The community is owned by a partnership in which a wholly-owned subsidiary of AvalonBay is the general partner with a majority interest.
- (10) For purposes of calculating EBITDA as a % of Total Budgeted Cost for this community and its related impact on the Weighted Average calculation, the Company has included in Total Budgeted Cost the present value of a projected residual land payment that is a priority distribution upon a sale or refinancing transaction in the future.
- (11) Projected EBITDA represents management's estimate, as of the date of release of this information, of gross potential community-level earnings projected to be achieved for the first stabilized year following the completion of construction before interest, income taxes (if any), depreciation, amortization and extraordinary items, minus (a) projected economic vacancy and (b) projected stabilized operating expenses. Projected EBITDA does not include either a management fee or any allocation of corporate overhead and is not a measure that can be determined in accordance with GAAP. Management uses its determination of Projected EBITDA to help measure the projected impact that a community under construction may have on company-wide performance once such community is complete and achieves stabilization (i.e., a 95% rate of occupancy.) Projected EBITDA is also a tool that management uses to measure and compare the performance and projected performance of different communities. Projected EBITDA should not be considered as an alternative to operating income, as determined in accordance with GAAP, as an indicator of the Company's or a community's operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) as a measure of liquidity. Projected EBITDA, and in particular community-level EBITDA reflected here for these communities under development as well as completed this quarter, as disclosed by other REITs may not be comparable to the Company's calculation of EBITDA.

The following is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities and Exchange Act of 1934, as amended. The projections and estimates contained in the table above are forward-looking statements. These forward-looking statements 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 made, include: development opportunities may be abandoned; construction costs of a community may exceed original estimates, possibly making the community uneconomical and/or affecting projected returns; and construction and lease-up may not be completed on schedule, resulting in increased debt service and construction costs.

**Attachment 10**

**AvalonBay Communities, Inc.  
Redevelopment Communities (1) as of June 30, 2002**

	# of Apt Homes	Cost (in millions)		Schedule				Avg Rent Per Home	Number of Homes	
		Acquisition Cost	Total Budgeted Cost (2)	Acquisition	Start	Complete	Restabilized Ops (3)		Completed to date	Out of Service @ 6/30/02
<b>Under Redevelopment:</b>										
1. Avalon at Prudential Center (4) Boston, MA	781	\$ 133.9	\$ 154.5	Q3 1998	Q4 2000	Q4 2002	Q2 2003	\$ 2,866	314	31
Subtotal	781	\$ 133.9	\$ 154.5						314	31
<b>Completed this Quarter:</b>										
1. Avalon Bedford (5) Stamford, CT	368	\$ 37.5	\$ 60.9	Q4 1998	Q4 2000	Q2 2002	Q4 2002	\$ 1,695		
Subtotal	368	\$ 37.5	\$ 60.9							
Total	1,149	\$ 171.4	\$ 215.4							

Weighted Average Projected EBITDA  
as a % of Total Budgeted Cost (6) 10.1%

- (1) Redevelopment Communities are communities acquired for which redevelopment costs are expected to exceed 10% of the original acquisition cost or \$5,000,000.
- (2) Total Budgeted Cost includes all capitalized costs projected to be incurred to redevelop the respective Redevelopment Community, including costs to acquire the community, reconstruction costs, real estate taxes, capitalized interest and loan fees, permits, professional fees, allocated redevelopment overhead and other regulatory fees determined in accordance with generally accepted accounting principles ("GAAP").
- (3) Restabilized operations is defined as the first full quarter of 95% or greater occupancy after completion of reconstruction.
- (4) The Acquisition Cost of \$133.9 million is comprised of the initial acquisition cost of \$130 million plus capital expenditures of \$3.9 million that were made following the acquisition and were unrelated to redevelopment costs.
- (5) This community, formerly known as Avalon Terrace, was redeveloped in a joint venture structure with third party financing. AvalonBay's portion of the Total Budgeted Cost for this unconsolidated joint venture was \$9.4 million after project based debt.
- (6) Projected EBITDA represents management's estimate, as of the date of release of this information, of gross potential community-level earnings projected to be achieved for the first stabilized year following the completion of construction before interest, income taxes (if any), depreciation, amortization and extraordinary items, minus (a) projected economic vacancy and (b) projected stabilized operating expenses. Projected EBITDA does not include either a management fee or any allocation of corporate overhead and is not a measure that can be determined in accordance with GAAP. Management uses its determination of Projected EBITDA to help measure the projected impact that a community under construction may have on company-wide performance once such community is complete and achieves stabilization (i.e., a 95% rate of occupancy.) Projected EBITDA is also a tool that management uses to measure and compare the performance and projected performance of different communities. Projected EBITDA should not be considered as an alternative to operating income, as determined in accordance with GAAP, as an indicator of the Company's or a community's operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) as a measure of liquidity. Projected EBITDA, and in particular community-level EBITDA reflected here for these communities under redevelopment as well as completed during the quarter, as disclosed by other REITs may not be comparable to the Company's calculation of EBITDA.

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**Attachment 11**

**AvalonBay Communities, Inc.**  
**Historical Development and Redevelopment Communities Yield Analysis as of June 30, 2002**

Year of Development/Redevelopment Completion	Number of Communities	Number of Apartment Homes	Total Capital Cost (2) (millions)	EBITDA as % of Total Capital Costs (1)		
				Original Projection	Initial Year Stabilized Yield (3)	Current Actual or Projected (4)
<u>Development Communities</u>						
1994	3	958	\$ 67.6	11.4%	11.8%	18.3%
1995	3	777	84.4	9.6%	11.1%	14.4%
1996	6	866	70.6	10.0%	11.0%	16.5%
1997	8	2,672	331.9	10.1%	11.6%	14.6%
1998	6	2,175	263.2	10.6%	11.4%	12.8%
1999	10	2,335	391.6	10.1%	10.8%	11.1%
2000	6	1,209	175.2	10.4%	11.1%	11.8%
2001	6	1,656	273.8	10.2%	10.7%	10.4%
2002	5	1,191	214.2	10.0%	9.0%	9.0%
Total/Weighted Average	<u>53</u>	<u>13,839</u>	<u>\$ 1,872.5</u>	<u>10.2%</u>	<u>10.9%</u>	<u>12.3%</u>
<u>Redevelopment Communities</u>						
1995 (5)	2	406	\$ 23.6	9.8%	10.0%	18.5%
1996	6	1,689	114.9	9.6%	10.4%	14.4%
1997	9	2,037	196.1	9.8%	9.7%	11.7%
1998	8	1,969	195.7	9.5%	9.8%	12.5%
1999	13	4,051	385.5	9.2%	8.9%	9.3%
2000	4	1,455	156.6	8.9%	10.8%	9.1%
2001 and 2002	3	1,410	171.6	8.9%	8.9%	8.9%
Total/Weighted Average	<u>45</u>	<u>13,017</u>	<u>\$ 1,244.0</u>	<u>9.3%</u>	<u>9.5%</u>	<u>10.6%</u>

- (1) EBITDA represents management's estimate, as of the date of release of this information, of gross community-level earnings achieved at the communities whose development was completed during the indicated year, before interest, income taxes (if any), depreciation, amortization and extraordinary items. EBITDA does not include a management fee or any allocation of corporate overhead and is not a measure that can be determined in accordance with generally accepted accounting principles ("GAAP"). Management uses its determination of community-level EBITDA to help measure the impact that a community has on company-wide performance and to measure and compare the performance and projected performance of different communities. EBITDA should not be considered as an alternative to operating income, as determined in accordance with GAAP, as an indicator of the Company's or a community's operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) as a measure of liquidity, EBITDA, and in particular community-level EBITDA, as disclosed by other REITs may not be comparable to the Company's calculation of EBITDA.
- (2) Total capital cost includes all capitalized costs projected to be incurred to develop or redevelop the respective community, including land acquisition costs, construction costs, reconstruction costs, real estate taxes, capitalized interest and loan fees, permits, professional fees, allocated development overhead and other regulatory fees determined in accordance with GAAP.
- (3) Represents actual (through 2001) or projected EBITDA (for 2002) for first full calendar year of stabilized operations, divided by Total Development Cost.
- (4) Based on 2002 community operating budgets.
- (5) 1995 Redevelopment was adjusted to exclude Crossbrook which is included in 1999 Redevelopment completions.

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**Attachment 12**

**AvalonBay Communities, Inc.**  
**Summary of Development and Redevelopment Community Activity (1) as of June 30, 2002**

<b>DEVELOPMENT (2)</b>					
	Apt Homes Completed & Occupied	Development Community Investments (3)	Value of Homes Completed & Occupied	Remaining to Invest (4)	Construction in Progress at Period End (5)
Total - 2000 Actual	870	\$ 279,213,264	\$ 123,782,173	\$ 344,130,668	\$ 260,767,381
<b>2001 :</b>					
Quarter 1	300	\$ 57,470,918	\$ 42,917,063	\$ 385,741,788	\$ 277,080,921
Quarter 2	464	80,399,302	81,517,437	366,846,857	310,500,411
Quarter 3	510	137,502,765	85,129,879	389,645,493	322,365,168
Quarter 4	308	129,213,149	49,029,084	431,505,675	415,617,828
Total - 2001 Actual	1,582	\$ 404,586,134	\$ 258,593,463		
<b>2002 :</b>					
Quarter 1 (Actual)	565	\$ 119,213,893	\$ 102,870,891	\$ 369,248,732	\$ 407,887,099
Quarter 2 (Actual)	798	119,760,121	154,985,308	367,499,307	350,311,849
Quarter 3 (Projected)	626	97,290,110	122,546,550	270,209,197	281,786,650
Quarter 4 (Projected)	539	70,980,069	107,140,611	199,229,128	197,437,063
Total - 2002	2,528	\$ 407,244,193	\$ 487,543,360		

  

<b>REDEVELOPMENT</b>				
	Avg Homes Out of Service (6)	Redevelopment Community Investments (3)	Remaining to Invest (4)	Reconstruction in Progress at Period End (5) (6)
Total - 2000 Actual		\$ 47,789,657	\$ 33,558,647	\$ 23,561,778
<b>2001 :</b>				
Quarter 1	146	\$ 7,416,521	\$ 30,689,515	\$ 25,599,083
Quarter 2	96	6,971,789	23,753,732	24,260,594
Quarter 3	91	6,639,194	20,961,216	14,268,547
Quarter 4	42	5,804,501	10,190,945	14,000,460
Total - 2001 Actual		\$ 26,832,005		
<b>2002 :</b>				
Quarter 1 (Actual)	34	\$ 3,426,482	\$ 7,568,111	\$ 6,500,000
Quarter 2 (Actual)	31	2,102,054	5,083,139	14,002,156
Quarter 3 (Projected)	15	4,054,384	1,028,755	1,585,000
Quarter 4 (Projected)	--	1,028,755	--	--
Total - 2002		\$ 10,611,675		

(1) Data is presented for all Historical and Current Development Communities currently under construction; all Historical and Current Redevelopment Communities; and those communities for which construction or reconstruction is expected to begin within the next 90 days. Does not include data for Presale Communities.

(2) Projected Periods include data for consolidated joint ventures at 100%. The offset for joint venture partners' participation is reflected in the minority interest line items of the Financial Statements.

(3) Represents amount incurred or expected to be incurred during the quarter for Current and Future Development/Redevelopment Communities under construction or reconstruction during the quarter and those for which construction or reconstruction is expected to begin within the next 90 days.

(4) Represents amount remaining by AvalonBay to invest on Current and Future Development/Redevelopment Communities under construction or reconstruction during the quarter and those for which construction or reconstruction is expected to begin within the next 90 days. Remaining to invest for Quarter 2 Development includes \$92.2 million attributable to two anticipated Quarter 3 construction starts.

(5) Represents period end balance of construction or reconstruction costs.

(6) Projected periods do not include any data for unconsolidated joint ventures. Construction in Progress for unconsolidated joint ventures is reflected in investment in Joint Ventures on the Company's Balance Sheet.

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**AvalonBay Communities, Inc.**  
**Future Development and Presale Commitments as of June 30, 2002**

DEVELOPMENT RIGHTS			
Location of Development Right		Estimated Number of Homes	Estimated Budgeted Cost (millions)
1. Saugus, MA	(1)	326	\$59
2. Glen Cove, NY	(1)	256	71
3. Lawrence, NJ		312	43
4. Plymouth, MA		175	34
5. Darien, CT	(1)	189	39
6. North Potomac, MD		520	69
7. Coram, NY		450	65
8. Orange, CT	(1)	168	21
9. Danbury, CT	(1)	234	36
10. Andover, MA		115	21
11. New York, NY	(2)	363	138
12. Danvers & Peabody, MA		387	63
13. Washington, D.C.	(1)	144	30
14. Hingham, MA		232	44
15. Seattle, WA	(1)	154	50
16. Kirkland, WA		211	50
17. Los Angeles, CA	(1)	309	59
18. Oakland, CA	(1)	180	40
19. Greenburgh, NY Phase II and III		766	139
20. Norwalk, CT		314	63
21. Bedford, MA		139	21
22. San Francisco, CA		303	106
23. Cohasset, MA		200	42
24. Milford, CT		284	35
25. New Rochelle, NY Phase II and III		588	144
26. Long Island City, NY Phase II and III		552	162
27. Long Beach, CA		302	57
28. Bellevue, WA		368	71
29. Los Angeles, CA		167	47
30. Stratford, CT		146	18
31. Camarillo, CA		253	43
32. Wilton, CT		106	24
33. College Park, MD		320	44
Totals		<u>9,533</u>	<u>\$1,948</u>

PRESALE COMMITMENTS			
Community Name	Number of Homes	Estimated Budgeted Cost (millions)(3)	Estimated Closing Date
<u>Under Contract:</u>			
1. Avalon on the Hudson (4) Edgewater, NJ	206	\$ 59.2	Q3 2004
<u>Completed and Acquired:</u>			
1. Avalon Greyrock Stamford, CT	306	\$ 69.9	Q2 2002
Total	<u>512</u>	<u>\$ 129.1</u>	

(1) Company owns land, but construction has not yet begun.

(2) Estimated Budgeted Cost for this community includes costs associated with the construction of 89,000 square feet of retail space and 30,000 square feet for a community facility.

(3) Estimated Budgeted Cost does not include any AvalonBay overhead allocations incurred during the construction of the Presale Communities.

(4) The acquisition of Avalon on the Hudson will occur at completion of construction, there will be no investment in this asset prior to completion.

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