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AvalonBay Communities Announces Acquisition Activity

ARLINGTON, Va.--(BUSINESS WIRE)-- AvalonBay Communities, Inc. (NYSE: AVB) announced today the acquisition of two apartment communities: Grove Park, a community of 684 apartment homes located in Gaithersburg, Maryland (Washington DC metropolitan area) and Briarwood, a community of 348 apartment homes located in Owings Mills, Maryland (Baltimore metropolitan area). Both communities were acquired in September 2010 by AvalonBay Value Added Fund II, L.P. ("Fund II"), a private, discretionary investment vehicle in which AvalonBay Communities, Inc. has a 31% equity interest. Grove Park was acquired for \$101 million and Briarwood was acquired for \$45 million.

Grove Park is located close to I-270 along Montgomery County's "Biotechnology Corridor", a major employment center. Completed in 1974, the community's apartment interiors were extensively renovated in 2005-2006. Grove Park is also located within five miles of three other AvalonBay communities and will complement the local portfolio by providing diversification by both location and price point.

Briarwood's location in the Owings Mills/Pikesville submarket of metropolitan Baltimore offers high quality suburban living convenient to both employment and transportation. Completed in 1999, the community includes several townhome-style apartment homes and detached garages.

Grove Park and Briarwood represent the fifth and sixth acquisitions, respectively, by Fund II, which now consists of 2,574 apartment homes for a total acquisition cost of about \$393 million. Fund II has equity commitments totaling \$400 million and can employ leverage up to 65%, allowing for an investment capacity of approximately \$1.1 billion. Fund II will acquire and operate multifamily apartment communities in AvalonBay's high barrier-to-entry markets of the Northeast, Mid-Atlantic and West Coast regions of the U.S. with the objective of creating value through redevelopment, enhanced operations and/or improving market fundamentals.

About AvalonBay Communities, Inc.

As of June 30, 2010, AvalonBay Communities, Inc. owned or held a direct or indirect ownership interest in 171 apartment communities containing 49,910 apartment homes in ten

states and the District of Columbia, of which seven communities were under construction and seven communities were under reconstruction. AvalonBay is in the business of developing, redeveloping, acquiring, and managing apartment communities in high barrier-to-entry markets of the United States. More information on AvalonBay, an S&P 500 listed company, may be found on AvalonBay's Web site at <http://www.avalonbay.com>.

Source: AvalonBay Communities, Inc.