

October 4, 2018



AvalonBay Communities Agrees to Sell 80% Interest in Five Manhattan Apartment Communities

ARLINGTON, Va.--(BUSINESS WIRE)-- **AVALONBAY COMMUNITIES, INC. (NYSE: AVB)** (the "Company") announced today that it entered into an agreement to contribute its fee ownership of Avalon Morningside Park, Avalon Bowery Place I, and Avalon Bowery Place II, as well as its leasehold interest in Avalon West Chelsea and AVA High Line, to a newly formed joint venture with an institutional client of global real estate investment manager, Invesco Real Estate, in which AvalonBay will retain a 20% interest and act as the managing member and property manager for the assets. These five communities contain 1,301 apartment homes and approximately 58,000 square feet of retail space in the borough of Manhattan in New York City. The transaction is based on an aggregate asset valuation of approximately \$760 million and is expected to close before the end of 2018.

The newly formed joint venture plans to utilize secured financing at a loan to value ratio of approximately 50%.

AvalonBay intends to use the estimated net proceeds of approximately \$460 million from this transaction for general corporate purposes, which may include the acquisition, development and redevelopment of apartment communities.

Commenting on the agreement, Matt Birenbaum, AvalonBay's Chief Investment Officer said, "This transaction brings us closer to achieving our long-term geographic portfolio allocation goals and allows us to maintain our brand and operating presence in Manhattan, while monetizing a significant portion of our investment in these assets."

AvalonBay plans to update its full year 2018 Projected EPS, Projected FFO, Projected Core FFO and Established Communities' revenue, operating expense and net operating income ranges to reflect the expected impacts of this transaction in its third quarter 2018 earnings release.

Forward-Looking Statements

This press 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. 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 related to the transaction and financing described above that might cause such differences include the following, among others: the availability of financing at interest rates and for amounts and periods that are consistent with the Company's current expectations; the ability of the Company and other transaction participants to obtain the regulatory and contractual approvals and consents required to consummate the transaction on terms and within the time period consistent with the Company's current expectations; and the absence of any unanticipated adverse developments, incidents or events, or any property damage, casualty loss or personal injury, involving any of the assets that are a part of the transaction.

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, 2017 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.

About AvalonBay Communities, Inc.

As of June 30, 2018, the Company owned or held a direct or indirect ownership interest in 287 apartment communities containing 84,043 apartment homes in 12 states and the District of Columbia, of which 19 communities were under development and 16 communities were under redevelopment. The Company is an equity REIT in the business of developing, redeveloping, acquiring and managing apartment communities in leading metropolitan areas primarily 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>.

About Invesco Real Estate

Invesco Real Estate is a global leader in the real estate investment management business with \$65.3 billion in real estate assets under management, 489 employees and 21 regional offices across the U.S., Europe and Asia (as of 06/30/18). Invesco Real Estate has been actively investing in core, value-add and opportunistic real estate strategies since 1992. Invesco Real Estate is a business name of Invesco Advisers, Inc., an indirect, wholly owned subsidiary of Invesco Ltd. Invesco Ltd. is an independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. NYSE: IVZ; www.invesco.com.

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