

September 23, 2021



AvalonBay Communities, Inc. Provides Third Quarter 2021 Operating and Acquisition Activity Update

ARLINGTON, Va.--(BUSINESS WIRE)-- **AVALONBAY COMMUNITIES, INC. (NYSE: AVB)** (the "Company") announced today that for the three months ending September 30, 2021 it expects total residential rental revenue for Same Store communities to increase between 0.9% and 1.1% over the prior year period. The midpoint of this range is 180 basis points above what the Company's expectation was for total residential rental revenue change for Same Store communities for the three months ending September 30, 2021 when the Company published its outlook on July 28, 2021. This outperformance is attributable to (i) lower-than-expected uncollectible lease revenue, due to higher-than-expected delinquent rent payments from COVID rental assistance programs⁽¹⁾, and (ii) better-than-expected effective lease rates and occupancy.

The Company also provided the following residential operating information for Same Store communities:

Average Physical Occupancy 2021

| | Q1 | Q2 | July | August | September ⁽²⁾ |
|----------------------|--------------|--------------|--------------|--------------|--------------------------|
| Suburban Communities | 95.6% | 96.3% | 96.4% | 96.5% | 96.3% |
| Urban Communities | 93.6% | 94.8% | 94.8% | 95.9% | 96.1% |
| Total | 95.0% | 95.9% | 96.0% | 96.3% | 96.3% |

Average Like-Term Effective Rent Change 2021

| | Q1 | Q2 | July | August | September ⁽²⁾ |
|-----------------------------|---------|--------|------|--------|--------------------------|
| New England | (10.4%) | (1.8%) | 5.8% | 10.0% | 12.8% |
| Metro New York / New Jersey | (7.8%) | (1.6%) | 4.0% | 8.1% | 11.4% |

| | | | | | |
|----------------------|---------------|---------------|-------------|-------------|--------------|
| Mid-Atlantic | (8.0%) | (2.2%) | 2.3% | 4.2% | 8.1% |
| Southeast Florida | 1.0% | 7.3% | 16.2% | 19.3% | 23.8% |
| Denver | 5.2% | 9.7% | 12.1% | 13.2% | 16.4% |
| Pacific Northwest | (11.7%) | (0.5%) | 6.8% | 8.8% | 14.5% |
| Northern California | (15.7%) | (7.5%) | 2.1% | 5.2% | 6.4% |
| Southern California | (1.4%) | 3.6% | 8.6% | 11.0% | 12.8% |
| Total | (8.3%) | (1.3%) | 5.0% | 8.1% | 11.0% |
| Suburban Communities | (3.8%) | 2.3% | 6.7% | 8.7% | 10.4% |
| Urban Communities | (17.4%) | (8.3%) | 1.7% | 7.1% | 12.3% |
| Total | (8.3%) | (1.3%) | 5.0% | 8.1% | 11.0% |

The average Move-in Rent Value in September 2021, as of September 22, 2021, was approximately 24% above the average Move-in Rent Value for the month of December 2020, and it was approximately 6% above the average Move-in Rent Value for the month of September 2019.

- (1) Between July 1st, 2021 and September 22nd, 2021, the Company recognized approximately \$10 million of delinquent rent payments from COVID rental assistance programs as Same Store total residential rental revenue. This compares to the Company's July 28, 2021 outlook for projected Same Store total residential rental revenue for the three months ending September 30, 2021, which included approximately \$3 million of projected delinquent rent payments from COVID rental assistance programs.
- (2) Data through September 22nd.

In addition, the Company announced that it acquired:

- The Nexus Lakeside, located in Flower Mound, Texas, on September 1, 2021 for a purchase price of approximately \$117 million. The Nexus Lakeside contains 425 apartment homes and approximately 18,000 square feet of commercial space.
- Hub South End, located in Charlotte, North Carolina, on September 23, 2021 for a purchase price of approximately \$104 million. Hub South End contains 265 apartment homes and approximately 21,000 square feet of commercial space.
- Three30Five, located in Charlotte, North Carolina, on September 23, 2021 for a purchase price of approximately \$53 million. Three30Five contains 164 apartment homes.

Definitions

Like-Term Effective Rent Change represents the percentage change in effective rent between two leases of the same lease term category for the same apartment. The Company defines effective rent as the contractual rent for an apartment less amortized concessions and discounts. Average Like-Term Effective Rent Change is weighted based on the number of leases meeting the criteria for new move-in and renewal like-term effective rent change. New Move-In Like-Term Effective Rent Change is the change in effective rent between the contractual rent for a resident who moves out of an apartment, and the contractual rent for a resident who moves into the same apartment with the same lease term category. Renewal Like-Term Effective Rent Change is the change in effective rent between two consecutive

leases of the same lease term category for the same resident occupying the same apartment.

Move-in Rent Value reflects the average effective rent that the Company's apartments would rent for based on recent leasing activity, adjusting for apartment specific characteristics (e.g., view premiums, renovation premiums). For a given month, up to the ten most recent leases during the immediately preceding last three months are used for each unit type at a property. If no recent leasing activity has occurred for a sparse unit type, then active leases or current asking rents, in that order, would be used.

Same Store is composed of consolidated communities in the markets where the Company has a significant presence and where a comparison of operating results from the prior year to the current year is meaningful, as these communities were owned and had Stabilized Operations, as defined below, as of the beginning of the respective prior year period. Therefore, for 2021 operating results, Same Store is composed of consolidated communities that have Stabilized Operations as of January 1, 2020, are not conducting or are not probable to conduct substantial redevelopment activities and are not held for sale or probable for disposition within the current year.

Stabilized Operations is defined as the earlier of (i) the attainment of 90% physical occupancy or (ii) the one-year anniversary of completion of development or redevelopment.

Suburban Communities are communities located in submarkets with less than 3,500 households per square mile.

Urban Communities are communities located in submarkets with 3,500 households or more per square mile.

Forward-Looking Statements

The projected change in total residential rental revenue for Same Store communities in this press release is a forward-looking statement under federal securities laws and is based on the Company's expectations, forecasts, and assumptions at the time of this press release. The actual change, if any, may differ materially from the projected change. Factors that could result in a material difference include, among others, those related to the COVID-19 pandemic and trends affecting the Company's financial condition or results of operations. These factors should not be construed as exhaustive and should be read in conjunction with the factors that are discussed in the Company's filings with the Securities and Exchange Commission, including the sections titled "Forward-Looking Statements" and "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as such factors may be updated from time to time in the Company's periodic filings with the Securities and Exchange Commission.

The Company does not undertake a duty to update forward-looking statements, including its expected operating results and other financial data forecasts contained in this press 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 press release.

About AvalonBay Communities, Inc.

As of June 30, 2021, the Company owned or held a direct or indirect ownership interest in 288 apartment communities containing 85,749 apartment homes in 11 states and the District of Columbia, of which 16 communities were under development and two 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 in New England, the New York/New Jersey Metro area, the Mid-Atlantic, Southeast Florida, Denver, Colorado, the Pacific Northwest, and Northern and Southern California. More information may be found on the Company's website at <http://www.avalonbay.com>.

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