AvalonBay
COMMUNITIES

INVESTOR DAY

NOVEMBER 28, 2023

Important Information

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This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this presentation are forward-looking statements, including but not limited to statements regarding the Company’s future results of operations, business strategies, including portfolio optimization and operating model transformation, potential growth opportunities, and drivers for value creation and superior growth. You can identify forward-looking statements by the Company’s use of words such as “expects,” “plans,” “estimates,” “anticipates,” “projects,” “intends,” “believes,” "may," "shall," "will," "pursue" and similar expressions that predict or indicate future events and trends and that do not report historical matters. 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Actual results could differ materially, and potentially adversely, from the anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Risks and uncertainties that might cause such differences include, but are not limited to, the following: we may abandon or defer development or redevelopment opportunities for which we have already incurred costs; adverse capital and credit market conditions, including rising interest rates, may affect our access to various sources of capital and/or cost of capital, which may affect our business activities, earnings, common stock price and our dividend rate, among other things; changes in local employment conditions, demand for apartment homes, supply of competitive housing products, landlord-tenant laws, including the adoption of new rent control regulations, and other economic or regulatory conditions may result in lower than expected occupancy and/or rental rates and adversely affect the profitability of our communities; delays in completing development, redevelopment and/or lease-up, and general price inflation, 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; we may fail to secure development opportunities due to an inability to reach agreements with third parties to obtain land at attractive prices or be unable to obtain, or experience delays in obtaining, necessary governmental permits and authorizations; expenses may result in communities that we develop or redevelop failing to achieve expected profitability; our assumptions concerning risks relating to joint ventures and our ability to successfully dispose of certain assets may not be realized; investments made under the Structured Investment Program in either mezzanine debt or preferred equity of third-party multifamily development may not be repaid as expected or the development may not be completed on schedule, which could require us to engage in litigation, foreclosure actions, and/or first party project completion to recover our investment, which may not be recovered in full or at all in such event; our assumptions and expectations may prove to be too optimistic, including trends affecting our financial condition or results of operations; litigation costs and consequences may exceed our expectations; we may be unable to complete and deploy, or may experience delays in completing and deploying, technology, digitalization or automation initiatives or may not recognize increased operating efficiencies or revenue from these initiatives when anticipated or at all; we may fail to continue to advance our sustainability, inclusion and diversity initiatives; and risks related to pandemics or natural disasters, including the effect, among other factors, on the multifamily industry and the general economy of measures taken by businesses and the government, such as governmental limitations on the ability of multifamily owners to evict residents who are delinquent in the payment of their rent, the preferences of consumers and businesses for living and working arrangements, and federal efforts at economic stimulus. 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 (the “SEC”), including the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022 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. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties that the Company may face.

Important Information

Disclaimer

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In addition to financial measures prepared in accordance with United States generally accepted accounting principles ("GAAP"), this presentation includes certain non-GAAP financial measures such as EBITDA, EBITDAre, Core EBITDAre, FFO, Core FFO, Fully Loaded Margin, NOI and others. The non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their most directly comparable GAAP equivalents. Other companies, including companies in AvalonBay's industry, may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of these non-GAAP financial measures as tools for comparison. You are urged to review the reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures set forth in the Appendix, and not to rely on any single financial measure to evaluate AvalonBay's business. For definitions, additional information and reconciliations of non-GAAP financial information included in this presentation, see the Appendix to this presentation included herein.

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The Company files annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public free of charge from the SEC website at www.sec.gov and on our website at the address above. You should read this presentation in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2022, subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other reports and documents we file with the SEC after the date of this presentation before you make any investment decisions involving the Company and its securities.

AvalonBay
COMMUNITIES

WELCOME

Benjamin Schall
CEO & President

30 YEARS OF OUTSTANDING GROWTH

AvalonBay COMMUNITIES

1993	AVALON PROPERTIES IPO
1998	AVALON AND BAY MERGER
2007	JOINS S&P 500 CENTRALIZED CUSTOMER CARE CENTER OPENS
2011	FIRST ESG REPORT
2013	ARCHSTONE ACQUISITION
2017	EXPANDS TO DENVER & SOUTHEAST FLORIDA
2021	EXPANDS TO CHARLOTTE, RALEIGH-DURHAM, DALLAS-FORT WORTH & AUSTIN

POWERED BY PEOPLE, PURPOSE & CULTURE

Creating a better way to live

Commitment to Integrity

Spirit of Caring

Focus on Continuous Improvement

Source: Internal company reports.

AvalonBay COMMUNITIES

LARGEST PUBLIC APARTMENT REIT

$32B
TOTAL ENTERPRISE VALUE[1]

A3 | A-
MOODY'S | S&P CREDIT RATINGS

10
U.S. REGIONS

70%
SUBURBAN PORTFOLIO

296
COMMUNITIES

89,240
APARTMENT HOMES

3,000
ASSOCIATES

$19M
PHILANTHROPY DONATIONS[2]

Source: Internal company reports.
Data as of September 30, 2023, unless otherwise noted.
Largest public apartment REIT based on Total Enterprise Value.
IPO (initial public offering) for Avalon Properties completed on November 18, 1993.
See Appendix for a definition and reconciliation of Total Enterprise Value, a discussion of the Company's credit ratings, and an explanation of the Total Shareholder Return and Dividend Growth calculations.
(1) As of November 17, 2023.
(2) Cumulative; includes cash and in-kind donations through 2022.
(3) Reflects customer rankings of AVB, CPT, ESS, EQR, MAA, and UDR, for the period from 2019 to 2023.

LEADING SHAREHOLDER RETURNS

2,317%
CUMULATIVE TOTAL SHAREHOLDER RETURN SINCE IPO[1]

11.2%
ANNUALIZED TOTAL SHAREHOLDER RETURN SINCE IPO[1]

4.8%
ANNUALIZED DIVIDEND GROWTH SINCE 1994

RECOGNIZED INDUSTRY LEADER

Nareit Leader in the Light 2022 ESG Award Winner

100 Best Corporate Citizens 2023

CDP DISCLOSURE INSIGHT ACTION

GRESB REAL ESTATE sector leader 2022

HUMAN RIGHTS CAMPAIGN FOUNDATION BEST PLACES TO WORK 2022 for LGBTQ+ Equality 100% CORPORATE EQUALITY INDEX

TOP WORK PLACES 2023 The Washington Post

#1 ORA Power Rankings POWERED BY J Turner Research
Online Reputation
Public Multifamily REITs
Five Years Running[3]

2022 ABC EXCELLENCE AWARD NATIONAL INCLUSION, DIVERSITY AND EQUITY EXCELLENCE AWARDS ASSOCIATED BUILDERS AND CONTRACTORS

FOUNDATIONAL STRENGTHS

AvalonBay COMMUNITIES

WELL-POSITIONED TO TAKE ADVANTAGE OF EVOLVING LANDSCAPE

EVOLVING TO CONTINUE TO LEAD

CUSTOMER EXPECTATIONS

MOBILE
ON DEMAND
SELF-SERVE

DEMOGRAPHIC & POPULATION SHIFTS

GEN Z & AGING MILLENNIALS
SHIFTING LIVE/WORK PREFERENCES
GROWING KNOWLEDGE ECONOMY

ADVANCING TECHNOLOGY

POWER OF DATA
ARTIFICIAL INTELLIGENCE
AUTOMATION

RISK MITIGATION

CLIMATE CHANGE IMPACT
REGULATORY ENVIRONMENT

EVOLVING TO DELIVER SUPERIOR GROWTH

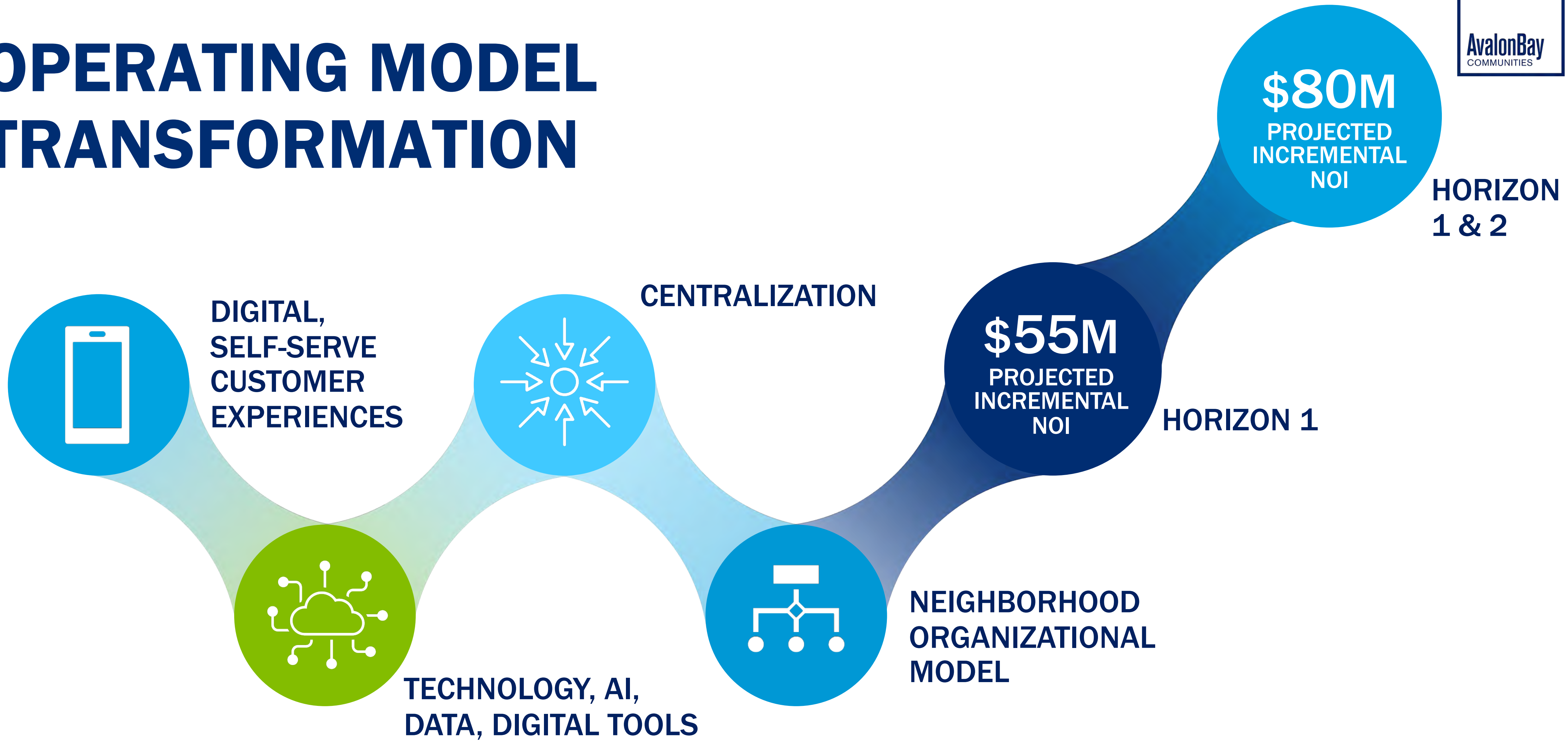
FOUNDATIONAL STRENGTHS

- Operating Excellence & Innovation
- Unmatched Portfolio Quality
- Unrivaled Development Expertise & Execution
- Preeminent Balance Sheet

STRATEGIC FOCUS AREAS

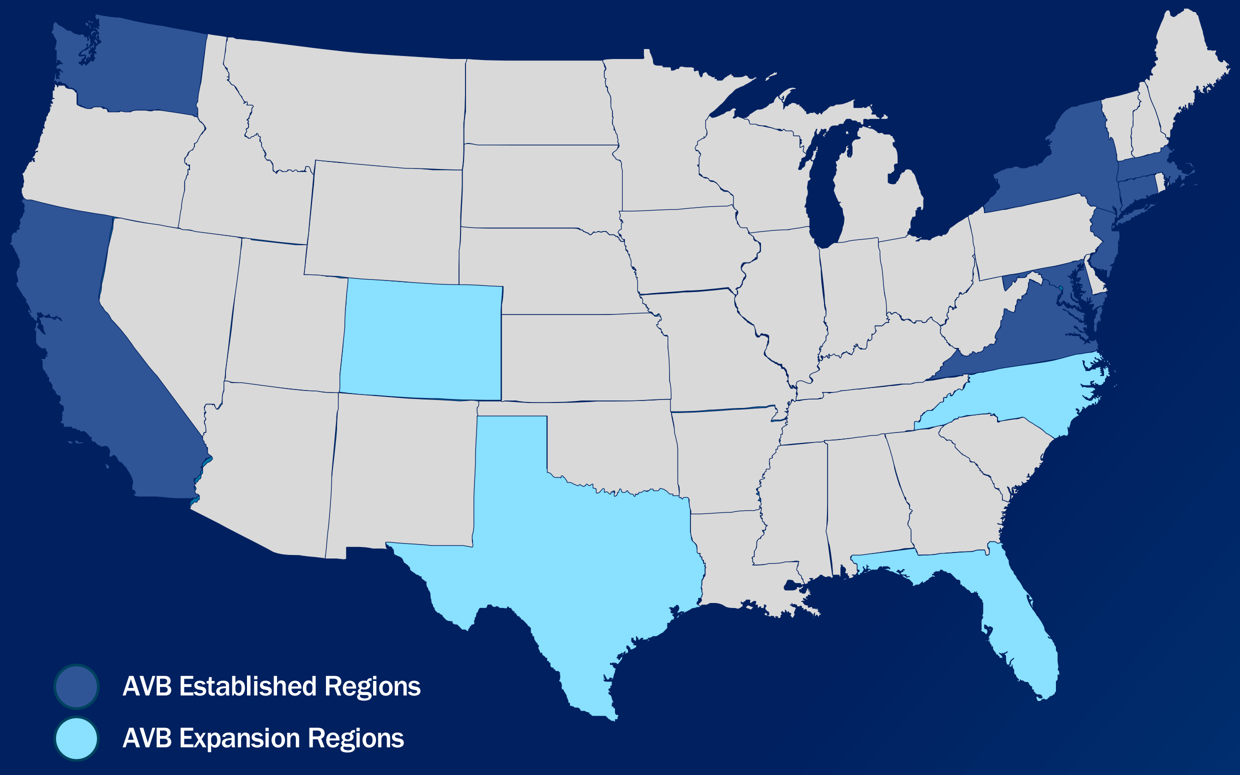
- Operating Model Transformation
- Portfolio Optimization
- Development Growth Engine
- Growth-oriented Balance Sheet

OPERATING MODEL TRANSFORMATION



Source: Internal company reports.
See Appendix for a discussion of projected Incremental NOI.

PORTFOLIO OPTIMIZATION



SUBURBAN SUBMARKET ALLOCATION

70% CURRENT → 80% TARGET

EXPANSION REGION ALLOCATION

8% CURRENT → 25% TARGET

Denver
Southeast Florida
Raleigh-Durham
Charlotte
Dallas-Fort Worth
Austin

Source: Internal company reports.
Data as of September 30, 2023.
See Appendix for a discussion of Current Allocation and Target Allocation.

DEVELOPMENT GROWTH ENGINE

1. Long-standing track record
2. Vertical integration generates unique value
   - Construction
   - Development
   - Operations
3. Meaningful near-term earnings from development underway
4. New sources of growth
   - Developer Funding Program
   - Structured Investment Program

STRENGTH OF DEVELOPMENT & OPERATING PARTNERSHIP

AvalonBay COMMUNITIES

DEVELOPMENT LEADERSHIP

Building for long-term

Development & Operations
PARTNERSHIP

OPERATING EXCELLENCE

Owning for long-term

VALUE CREATION

- Maximize Revenue
- Operating Efficiencies
- Lower Cap-Ex

GROWTH-ORIENTED BALANCE SHEET

1. Stability & Flexibility
2. Integrated Capital Management
3. Maximize Shareholder Value

EVOLVING TO CONTINUE TO LEAD

AGENDA

1. **Operating Model Transformation**
   Q&A

   BREAK

2. **Portfolio Optimization & Development Growth Engine**
   Q&A

3. **Growth-oriented Balance Sheet**

4. **Conclusions**
   Q&A

   RECEPTION

OPERATING MODEL TRANSFORMATION

Sean Breslin
Chief Operating Officer

Lisa Bongardt
SVP Operations

Rajiv Verma
SVP Revenue Management

Rukevbe Esi
SVP Chief Digital Officer

OPERATING CAPABILITIES

TRACK RECORD OF EXCELLENCE & INNOVATION

KEY ELEMENTS OF TRANSFORMATION

STRONG FOUNDATION OF OPERATING EXCELLENCE & INNOVATION

CULTURE

- Highly engaged associates
- Focus on the customer
- Disciplined approach to innovation
- Drive for results

LEADING CAPABILITIES

- Corporate functions lead with data and analytics
- Onsite teams focused on delivering experiences customers value
- Centralized services team drives platform efficiency

CAPABILITY SPOTLIGHT

DRIVING REVENUE OUTPERFORMANCE

REGIONAL & CENTRALIZED TEAMS

MARKET INTELLIGENCE

CUSTOMER FEEDBACK

REVENUE OUTPERFORMANCE

DATA SCIENCE

PROPRIETARY RENEWAL OPTIMIZATION MODEL

FORECAST LEADS, APPLICATIONS, MOVE-INS

REVENUE MANAGEMENT & MARKETING

NEW MOVE-IN PRICING OPTIMIZATION

LEASE EXPIRATION MANAGEMENT

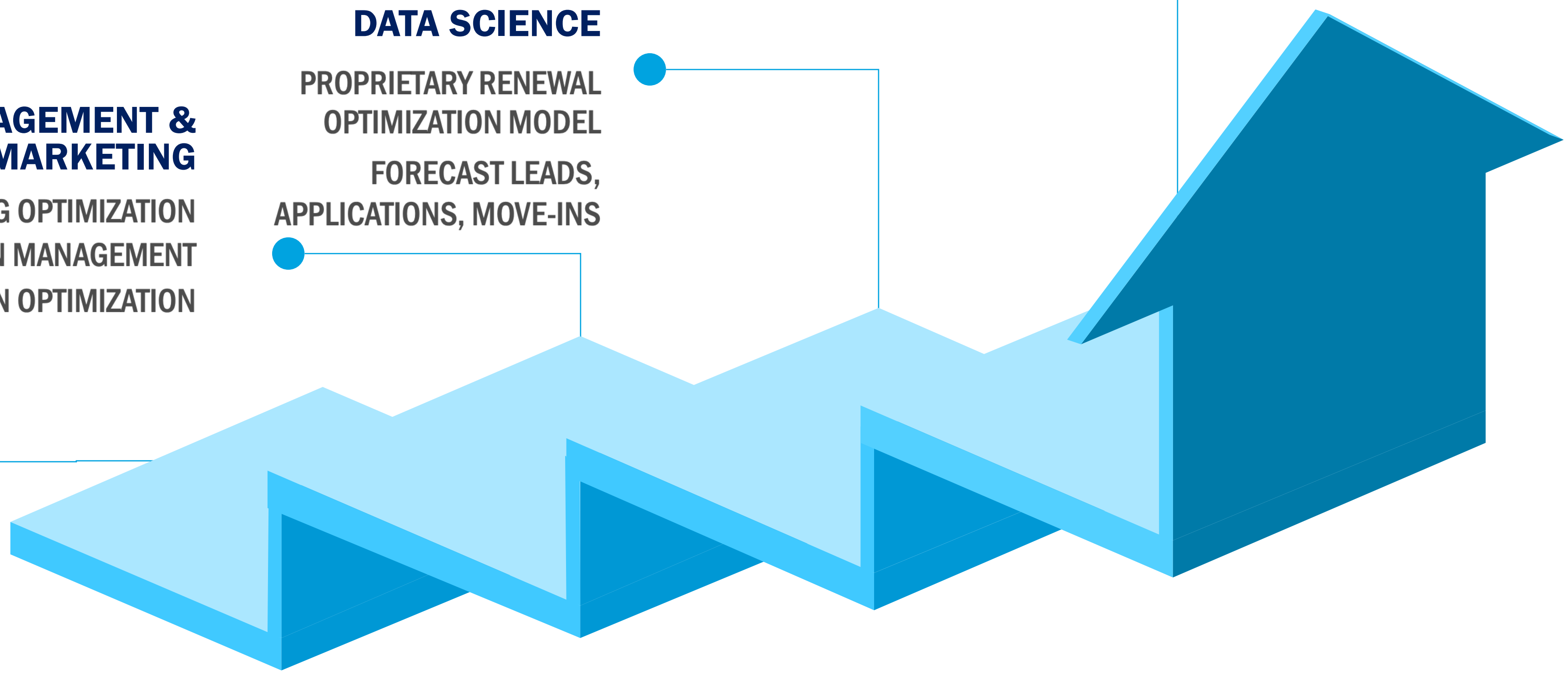
LEAD GENERATION OPTIMIZATION

MARKET RESEARCH

DEMAND/SUPPLY

PROPRIETARY

SUBMARKET RATING SYSTEM

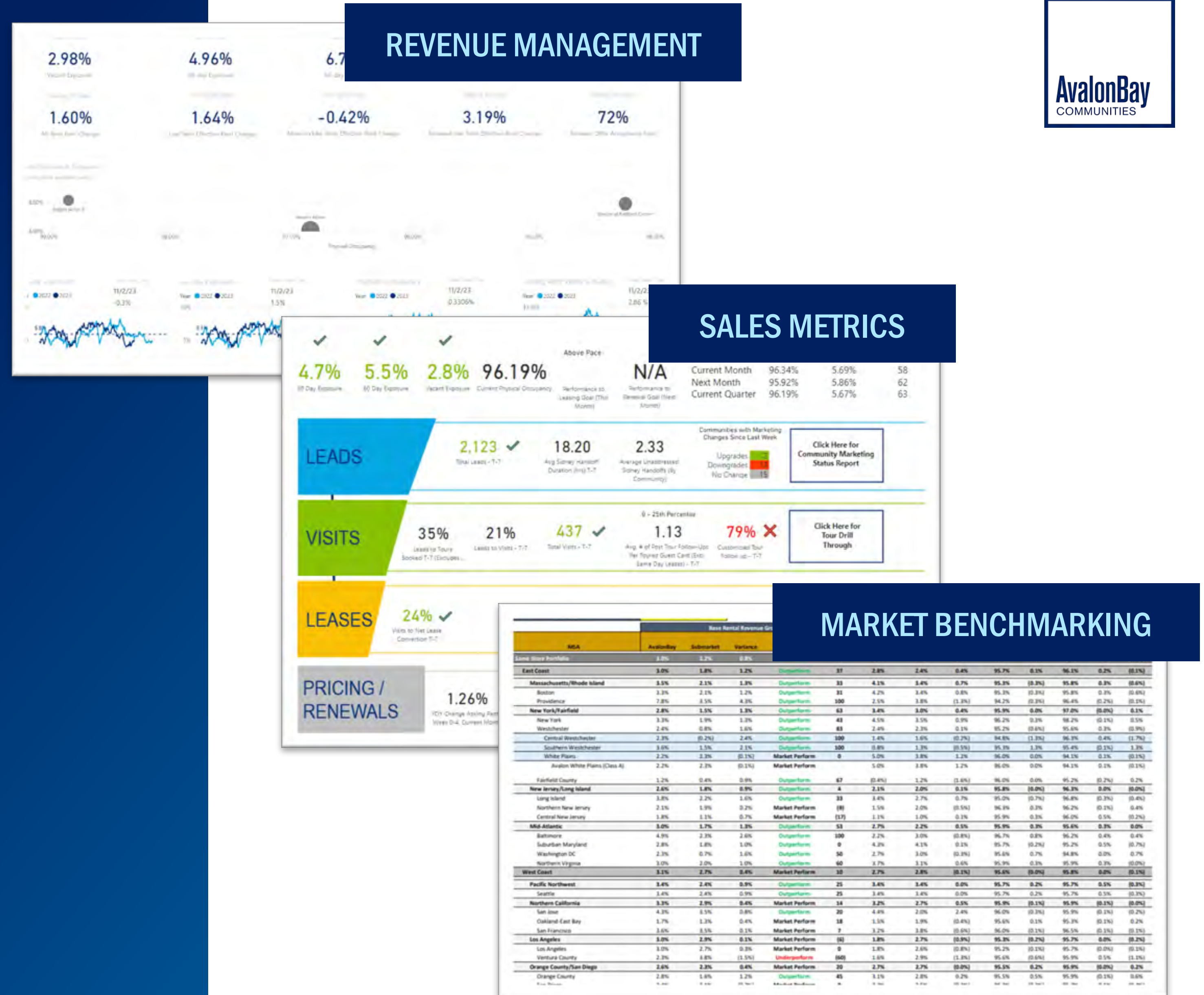


AvalonBay COMMUNITIES

CAPABILITY SPOTLIGHT

DRIVING REVENUE OUTPERFORMANCE

- Real-time data on our portfolio enables decision making
- Benchmark historical portfolio performance
- Compensation tied to performance

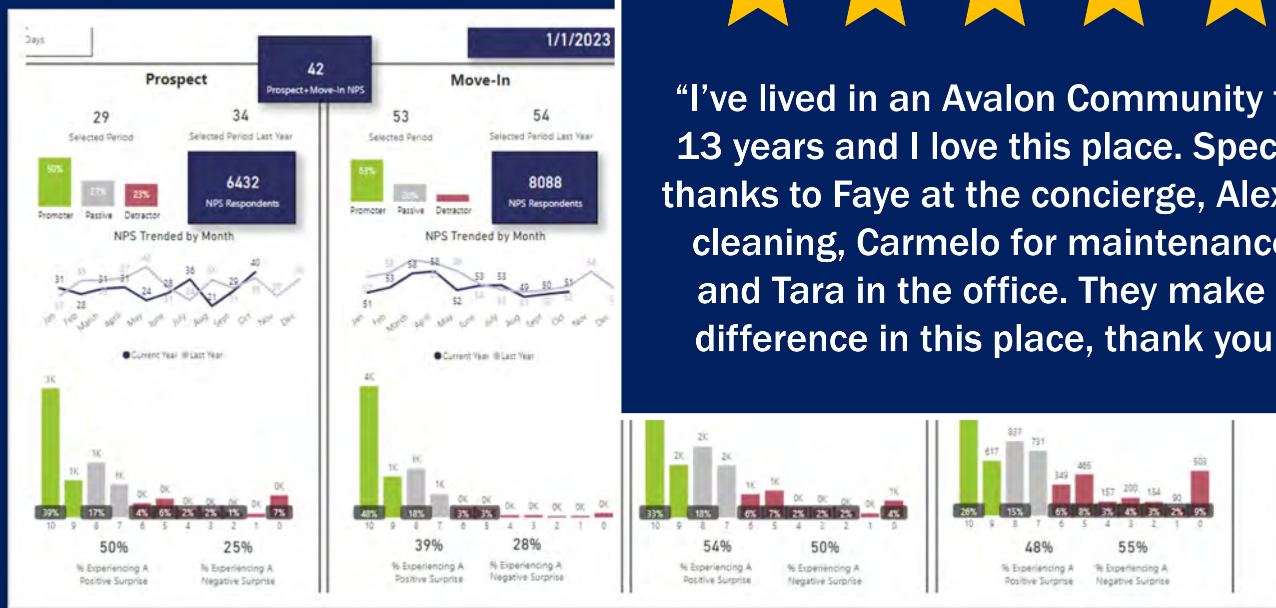


Source: Internal company reports.
Images are for illustrative purposes only.

AvalonBay COMMUNITIES

CAPABILITY SPOTLIGHT

REGIONAL TEAMS FOCUSED ON DELIVERING EXPERIENCES CUSTOMERS VALUE



"I've lived in an Avalon Community for 13 years and I love this place. Special thanks to Faye at the concierge, Alex at cleaning, Carmelo for maintenance, and Tara in the office. They make a difference in this place, thank you!"

CUSTOMER SATISFACTION DRIVES VALUE

5X

MORE LIKELY TO RENEW
NPS[(1)] PROMOTERS VS DETRACTORS

16%

LEASES FROM REFERRALS & REPEATS

Source: Internal company reports.
Images are for illustrative purposes only.
(1) Net promoter score.

CAPABILITY SPOTLIGHT

CUSTOMER CARE CENTER DRIVES EFFICIENCY THROUGH PROCESS AND SCALE

- Established in 2007
- 230 associates
- Historically back-office transactions
- Achieved ≈ $15 million annual benefit(1)
- Evolving to handle more customer-facing interactions

Source: Internal company reports.

(1) Represents the Company's estimate of annual savings achieved through its Customer Care Center versus equivalent onsite personnel.

TRACK RECORD OF OPERATING EXCELLENCE

LEADING BRAND RECOGNIZED BY ASSOCIATES & RESIDENTS

CUSTOMER SENTIMENT[(1)]

#1

Online Reputation
Public Multifamily REITs
Five Years Running

ORA™ Power Rankings
POWERED BY J Turner Research

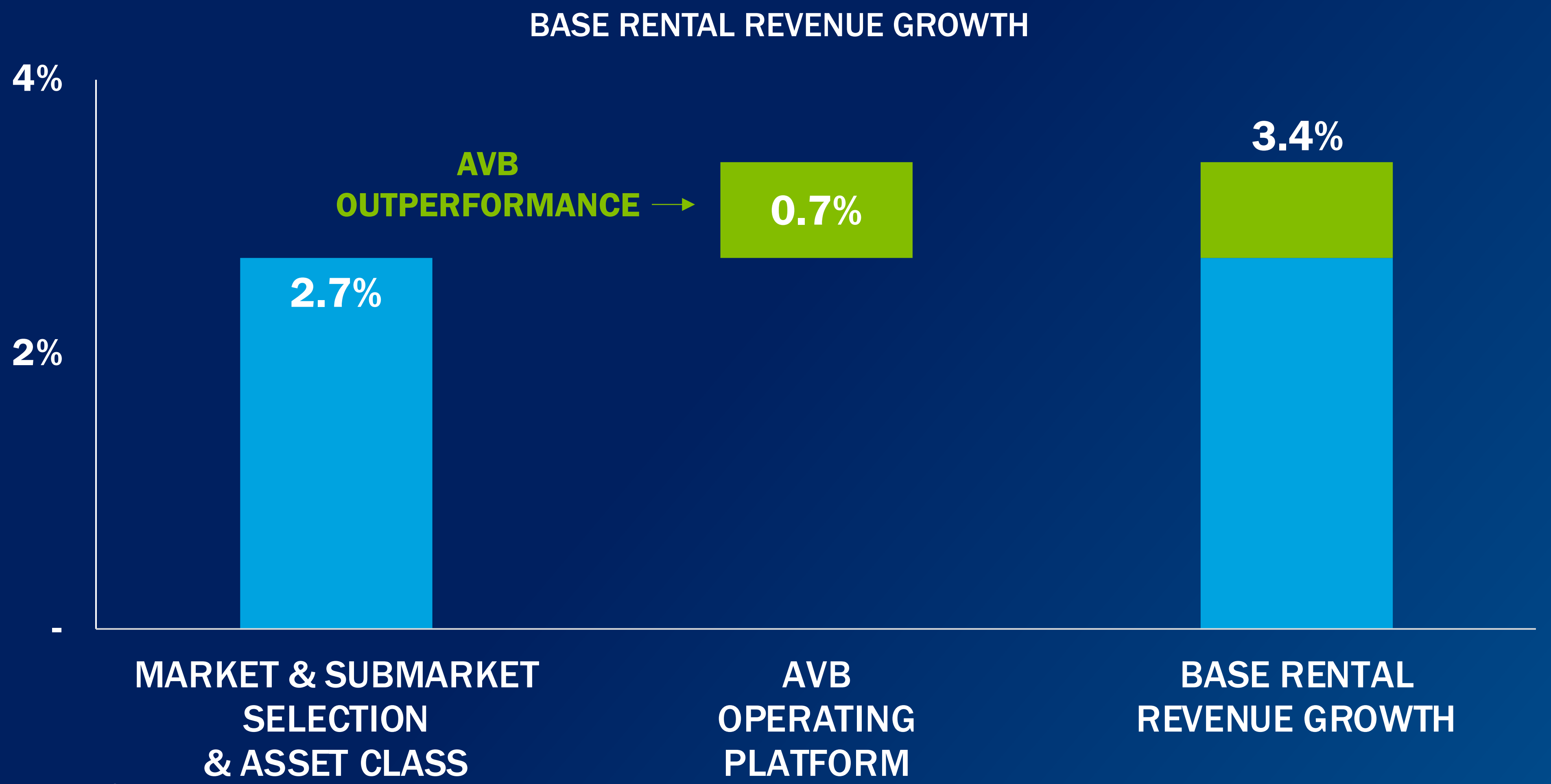
ASSOCIATE ENGAGEMENT[(2)]

85%

Source: J. Turner Research, Perceptyx.
Data as of September 30, 2023.
(1) Reflects customer rankings of AVB, CPT, ESS, EQR, MAA, and UDR, for the period from 2019 to 2023.
(2) Based on Associate Perspective Survey.

TRACK RECORD OF OPERATING EXCELLENCE

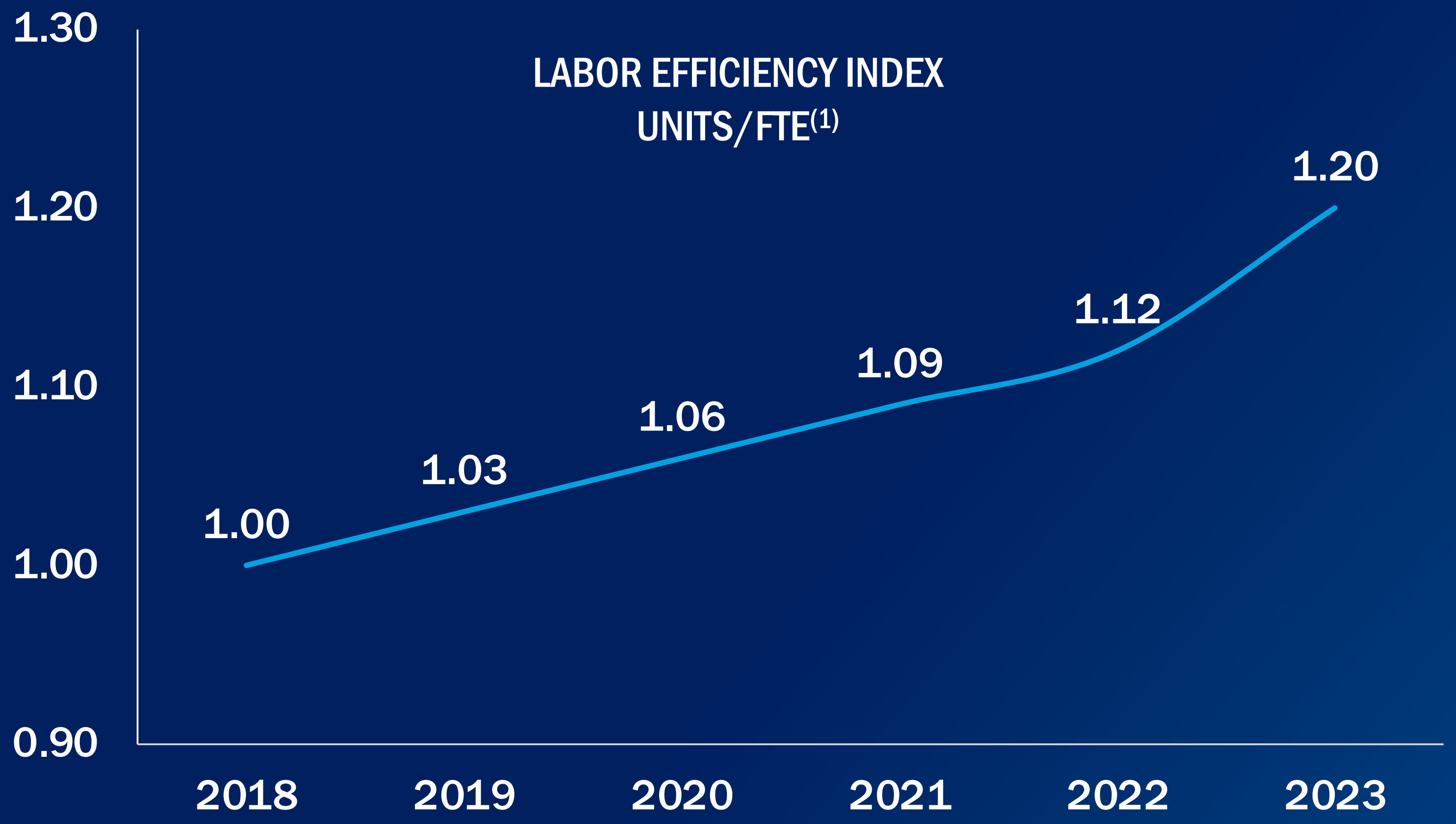
AVB REVENUE OUTPERFORMANCE



Source: CoStar, AVB Market Research Group.
See Appendix for a discussion of AVB Outperformance.

TRACK RECORD OF OPERATING EXCELLENCE

ACHIEVING MEANINGFUL LABOR EFFICIENCIES



20%

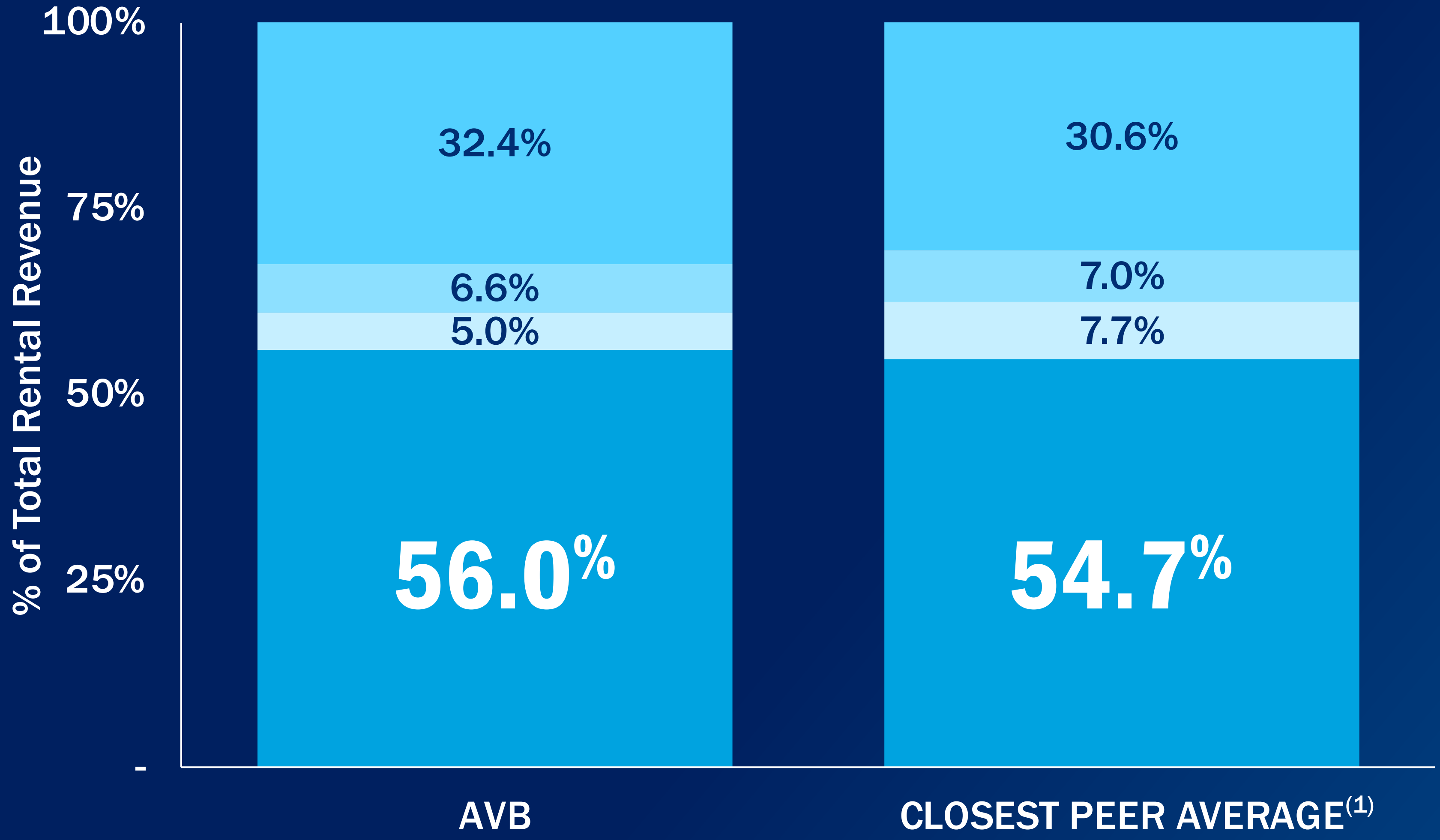
GAIN IN EFFICIENCY SINCE 2018

Source: Internal company reports.
Data as of September 30, 2023.
(1) Labor efficiency index represents the number of apartment homes owned by the Company divided by the number of onsite and regional/corporate overhead positions associated with the operating platform. The calculation is presented as an index (2018 = 1.00).

TRACK RECORD OF OPERATING EXCELLENCE

FULLY LOADED MARGIN

5-year average, ending 2022



Property Expenses
Expensed Overhead
Recurring Cap-Ex
Fully Loaded Margin

+130bps AVB Outperformance

Source: Internal company reports, company filings.
See Appendix for a reconciliation of AVB's Fully Loaded Margin.
(1) Consists of ESS, EQR, and UDR.

OUR NORTH STAR

SEAMLESS, PERSONALIZED EXPERIENCES MADE EASY

OUR NORTH STAR

SEAMLESS, PERSONALIZED EXPERIENCES MADE EASY

CUSTOMER JOURNEYS

- SEARCH
- BOOK A TOUR
- TOUR
- APPLY
- LEASE
- MOVE-IN
- LIVE
- RENEW
- MOVE-OUT

OUR NORTH STAR

SEAMLESS, PERSONALIZED EXPERIENCES MADE EASY

SELF-SERVE DIGITAL EXPERIENCES

- AVALONBAY WEBSITE
- SELF-GUIDED TOURING
- APPLICATION & LEASE SIGNING
- MOVED.COM
- SIGHTPLAN MAINTENANCE
- RESIDENT APP
- LEASE RENEWAL

OUR NORTH STAR

SEAMLESS, PERSONALIZED EXPERIENCES MADE EASY

AI-ENABLED SUPPORT

- AI LEASING ASSISTANT
- MULTIPLE CHANNELS – CHAT, TEXT, EMAIL, VOICE(1)
- AVAILABLE 24/7/365

(1) AI voice support not yet deployed.

OUR NORTH STAR

SEAMLESS, PERSONALIZED EXPERIENCES MADE EASY

ORGANIZATIONAL MODEL

- CENTRALIZATION
- COMMUNITY NEIGHBORHOODS
- ROLE SPECIALIZATION

AvalonBay COMMUNITIES

OUR NORTH STAR

SEAMLESS, PERSONALIZED EXPERIENCES MADE EASY

TECHNOLOGY & DATA

- MODERN, FLEXIBLE PLATFORM AND CAPABILITIES
- CONNECTIVITY/ACCESS
- AUTOMATION

IN SUMMARY:

KEY ELEMENTS OF OPERATING TRANSFORMATION

OPERATING MODEL TRANSFORMATION

DRIVING NOI THROUGH DIGITAL EXPERIENCES

Rajiv Verma
SVP Revenue Management

LEASE RENEWALS: MAXIMIZE REVENUE

APPROACH

- Proprietary machine learning model trained on our data
- Maximizes expected renewal revenue

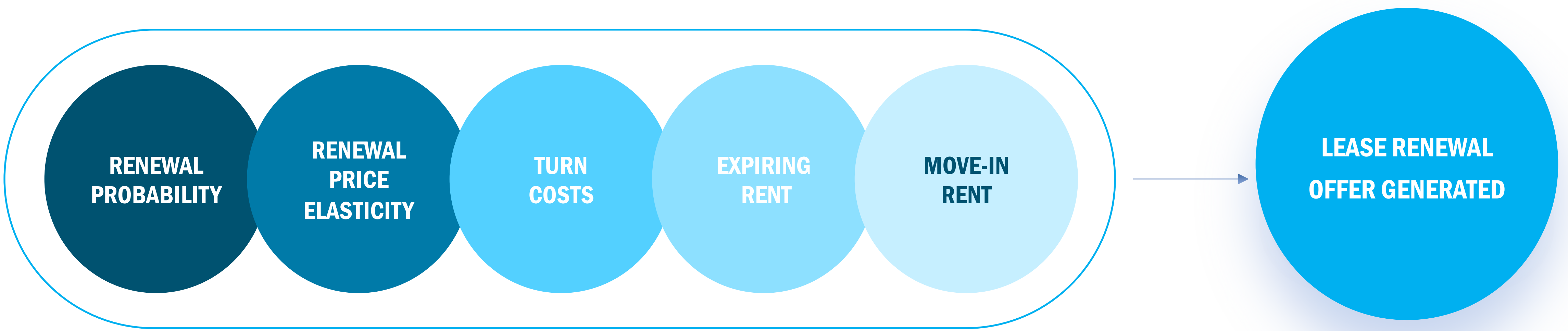
IMPACT

- Over 65% of our residents accept renewal offers
- Achieved 2% improvement in renewal revenue(1)

FUTURE

- Expect to further improve revenue through predictive behavioral data and models

PROCESS



Source: Internal company reports.

(1) Based on a pilot that was completed in 2020.

SELF-SERVE DIGITAL EXPERIENCE

LEASE RENEWALS

FEATURES

- Customizable lease terms
- Rentable add-ons
- Sign renewal offer
- Notice to vacate
- Ask for associate help
- Access lease documents and FAQs

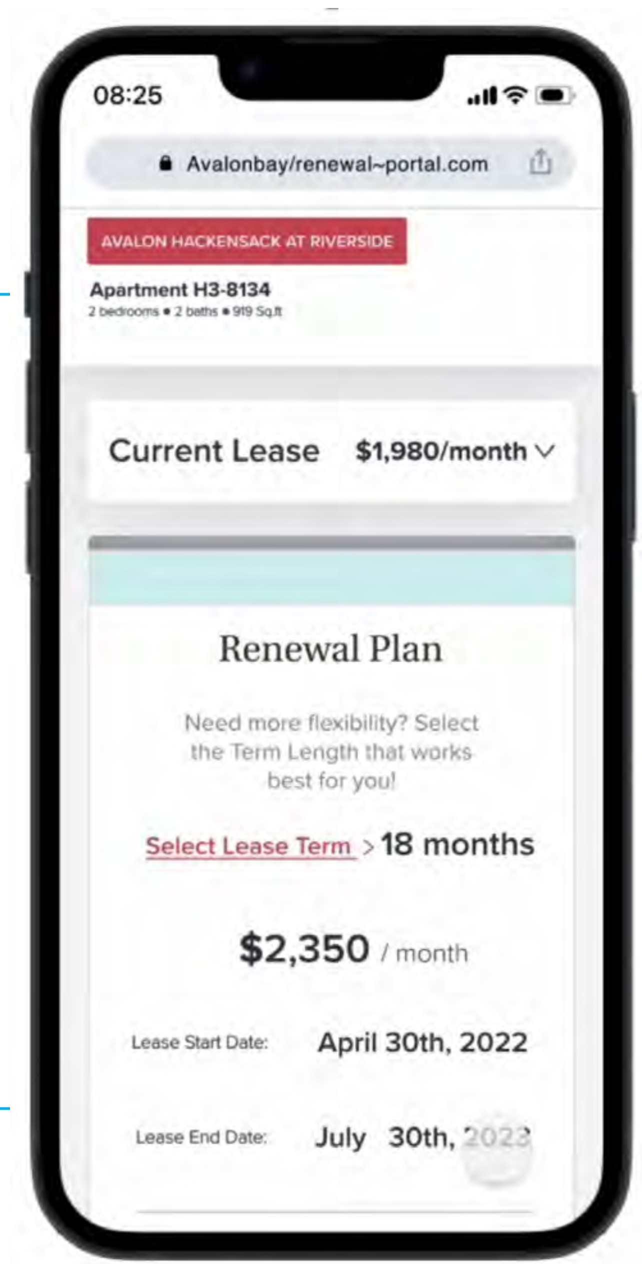
IMPACT

- 75%+ adoption by residents
- Enhanced revenue outcomes
- Reduced cost to process renewals

FUTURE

- Expect additional revenue from other rentable items and new products

Source: Internal company reports.



SELF-SERVE DIGITAL EXPERIENCE

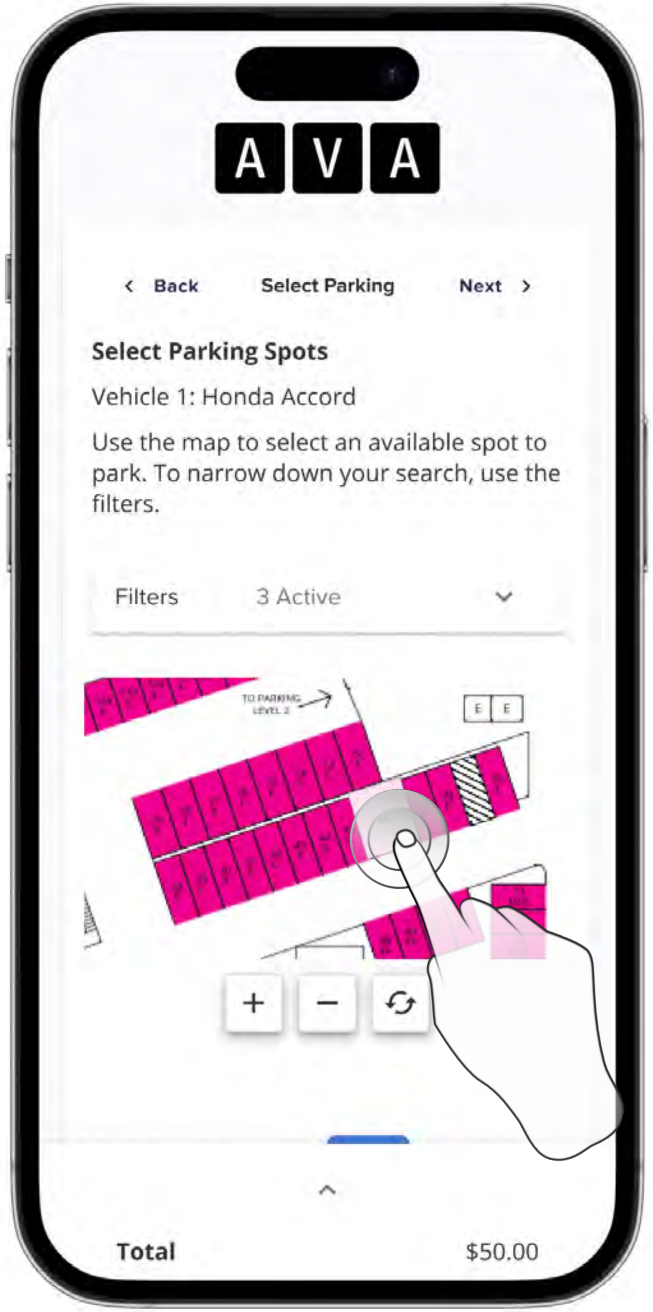
PARKING

APPROACH

- Self-serve selection and reservation
- Digital permitting and access control for parking
- Segmenting parking products

FUTURE

- Projecting ≈ $10M in Incremental NOI at full deployment[(1)]
- Lower operational costs from centralized management and remote support



Source: Internal company reports.
(1) Horizon 2 opportunity.

SELF-SERVE DIGITAL EXPERIENCE

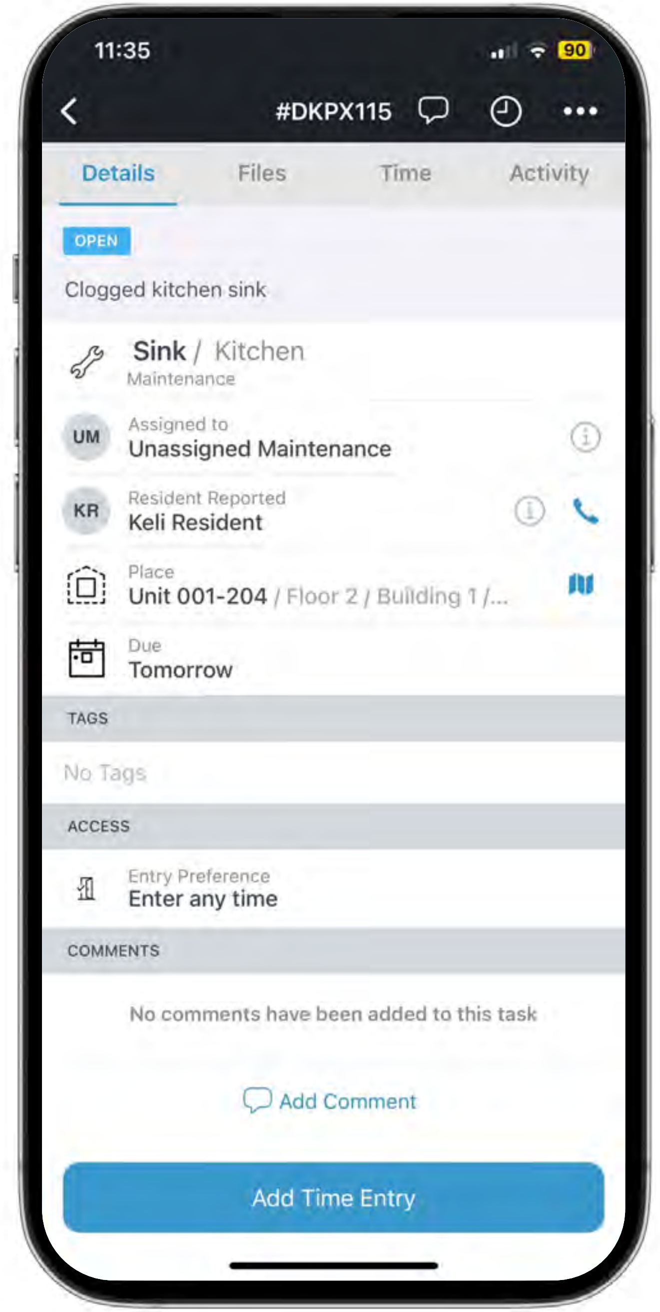
MAINTENANCE

RESIDENT FEATURES

- Submit maintenance requests, including photos
- Track progress
- Communicate: email, text, phone, push notifications

ASSOCIATE FEATURES

- Manage work on phone
- Better tracking and less data entry
- Easier resident communication and remote support
- Access to apartments



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SELF-SERVE DIGITAL EXPERIENCE

MAINTENANCE

IMPACT

- 80% app adoption
- 15% reduction in labor hours[(1)]

FUTURE

- Further optimize labor scheduling to enhance operating efficiencies

Source: Internal company reports.
Data as of September 30, 2023.
(1) As compared to 2021.

OPERATING MODEL TRANSFORMATION

ORGANIZATIONAL MODEL

Lisa Bongardt
SVP Operations

CENTRALIZATION

COMMUNITY NEIGHBORHOODS

SPOTLIGHT ON CENTRALIZATION

LEASE RENEWALS TEAM

ACTIVITIES

- Specialists 100% focused on renewal conversion
- Assist residents with unique needs
- Proactive outreach
- Provides customer insights and enhanced data

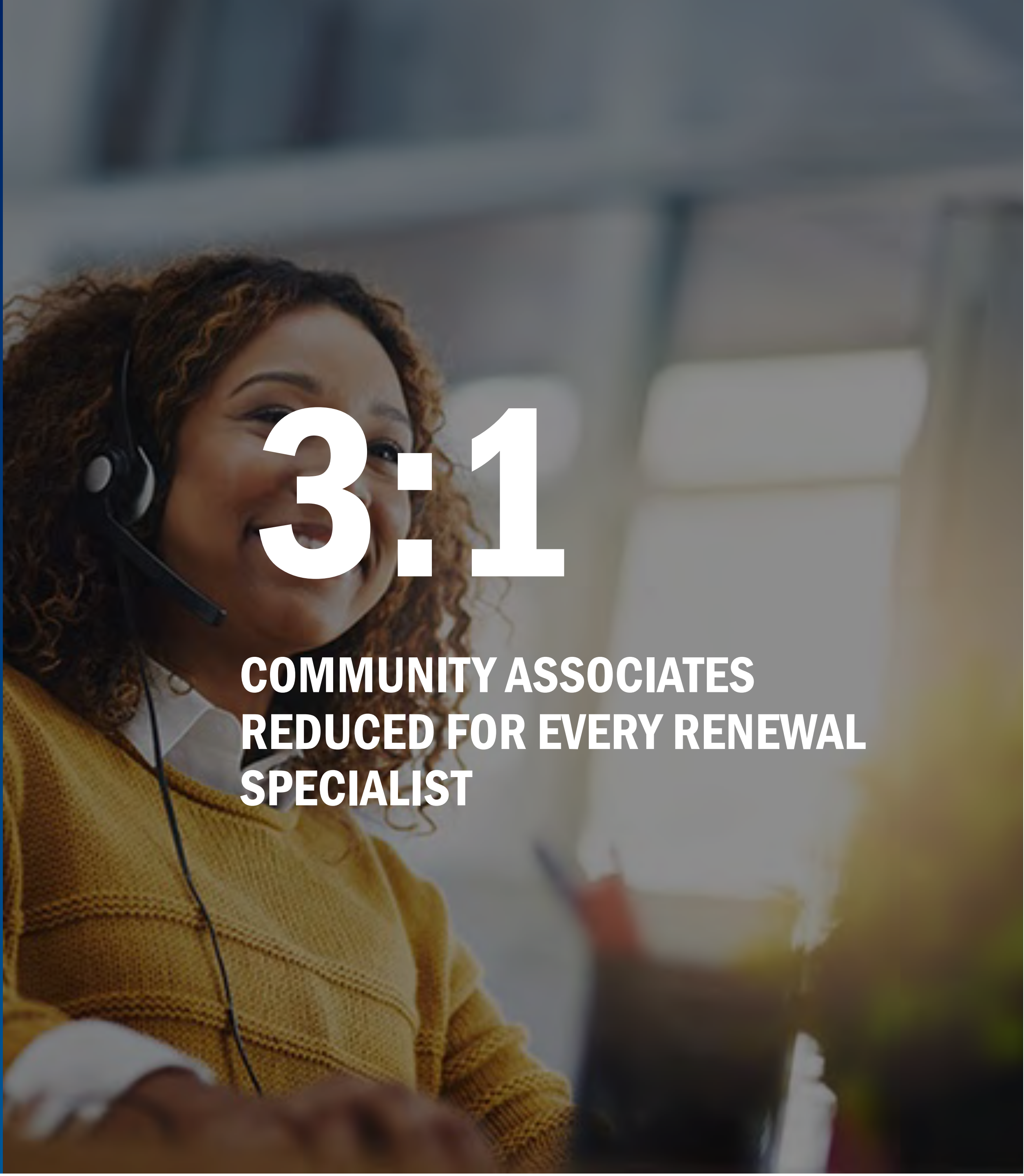
IMPACT

- Optimize revenue performance
- Improved feedback loop to drive decisions
- Improved labor efficiency

FUTURE

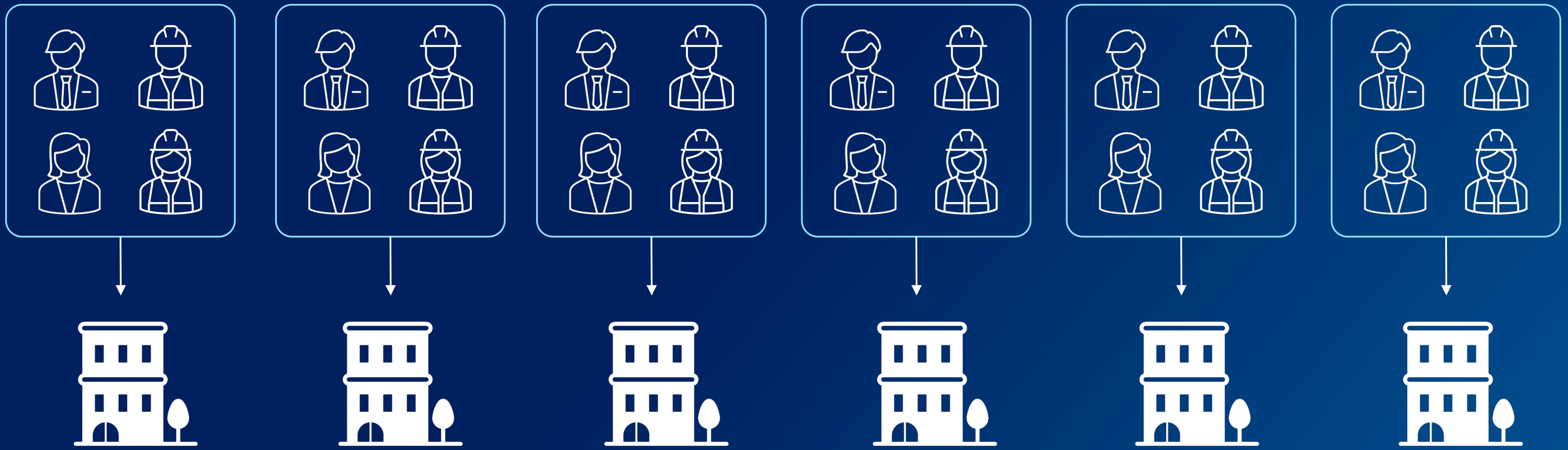
- Enhance efficiency and outcomes through proprietary data and AI

Source: Internal company reports.



ORGANIZATIONAL MODEL

What is a neighborhood?

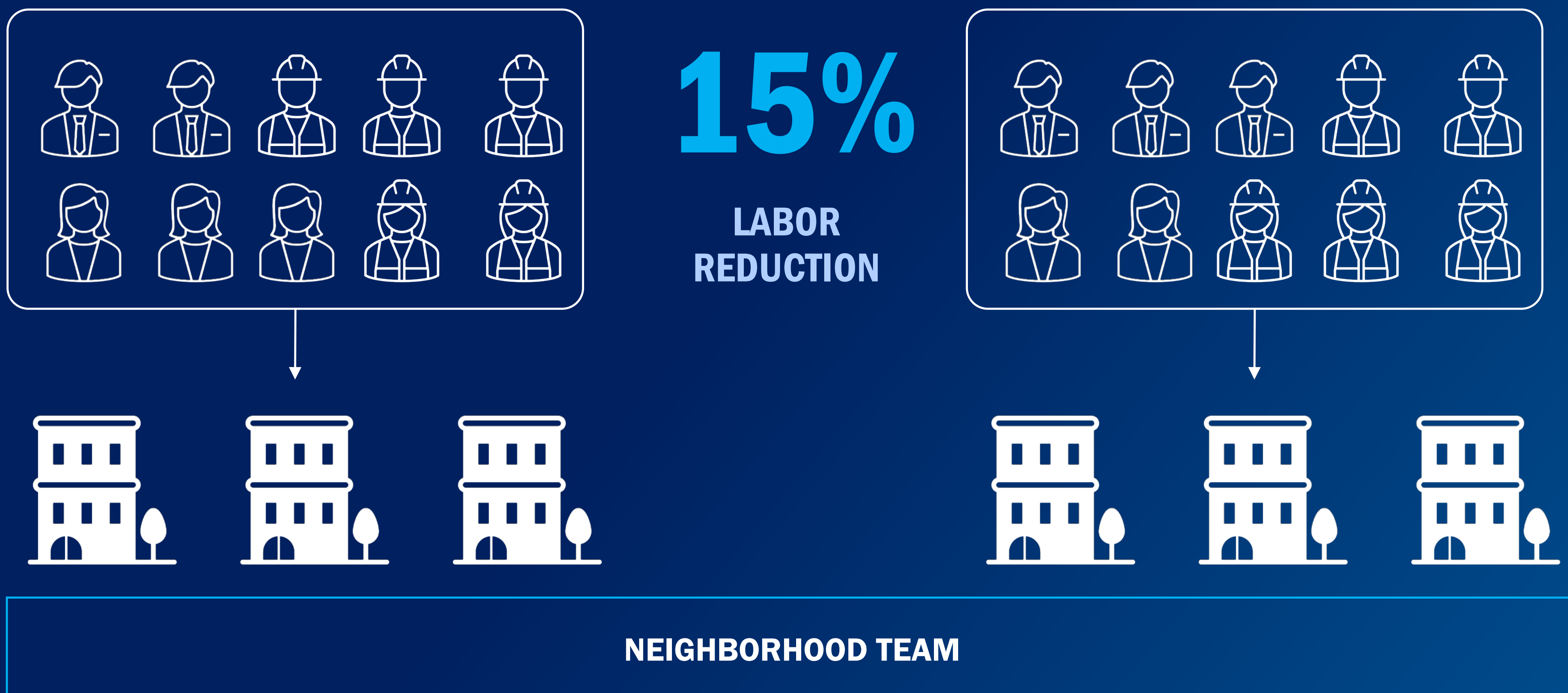


TRADITIONAL STAFFING

Source: Internal company reports.

ORGANIZATIONAL MODEL

What is a neighborhood?



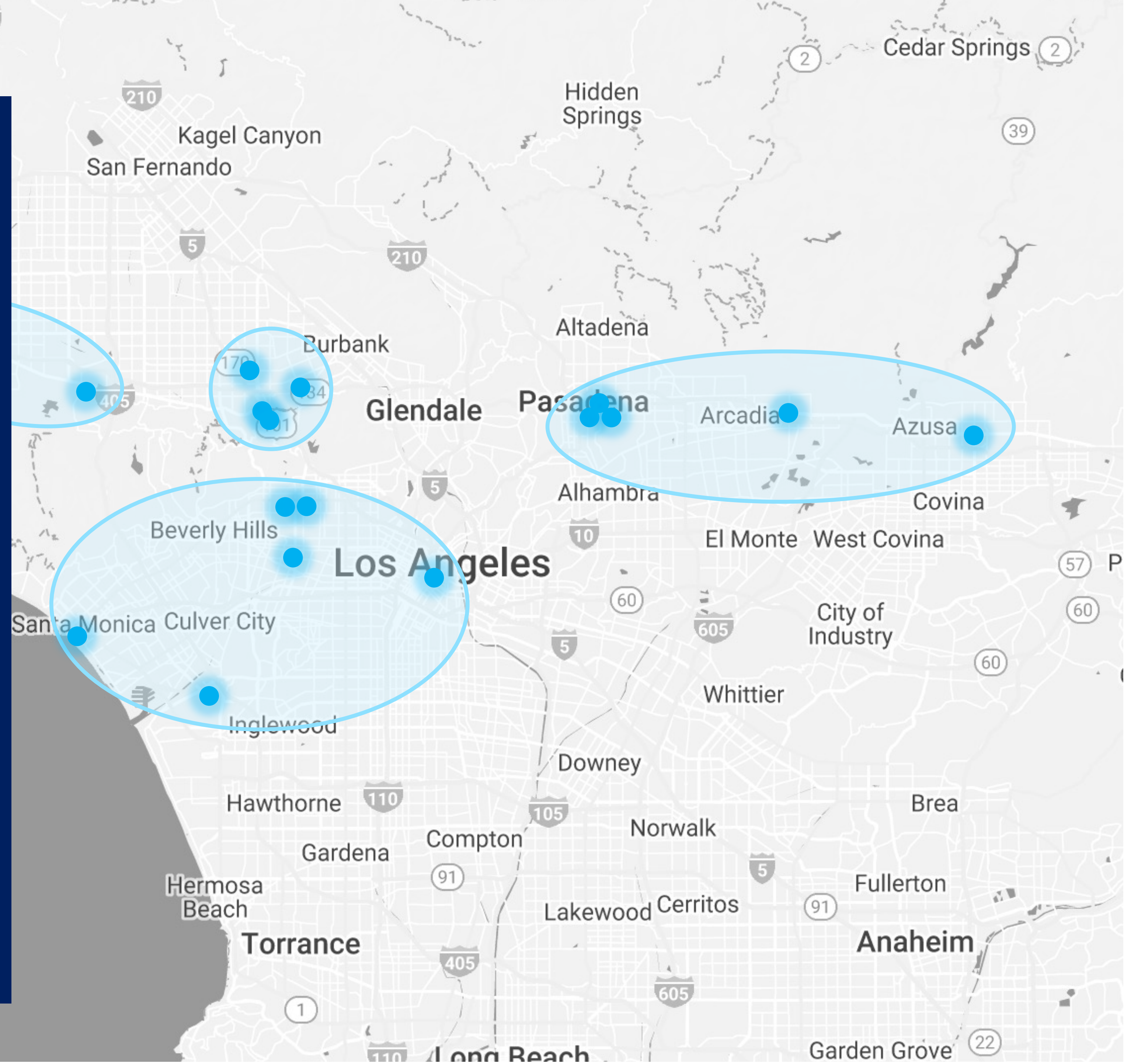
Source: Internal company reports.

ORGANIZATIONAL MODEL

WHAT ENABLES A NEIGHBORHOOD?

1. Portfolio Density
2. Resident Self-service
3. Improved Management Tools
4. Mobile Tools for Associates

Source: Internal company reports.



STAFFING EFFICIENCIES

VENTURA COMMUNITIES

	OLD
Maintenance Managers	7
Community Managers	5
Sales & Service Supervisors	5
Community Consultants	9
Maintenance Techs	24
Total	50

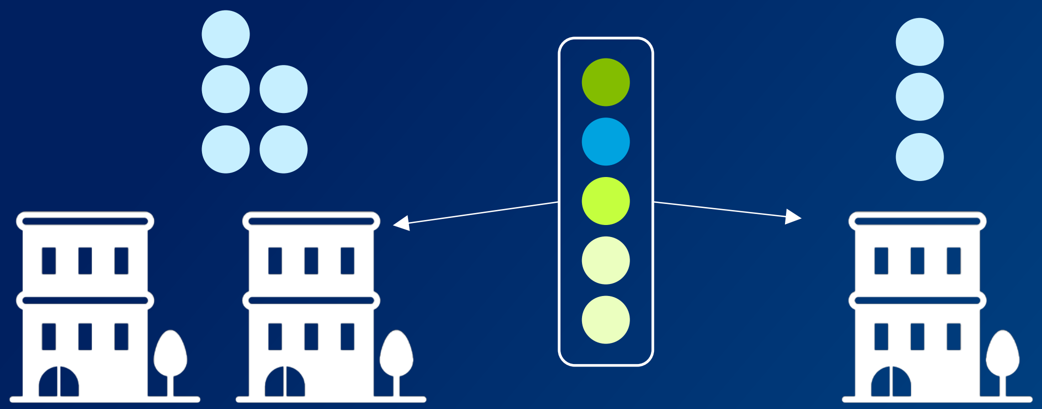
Source: Internal company reports.

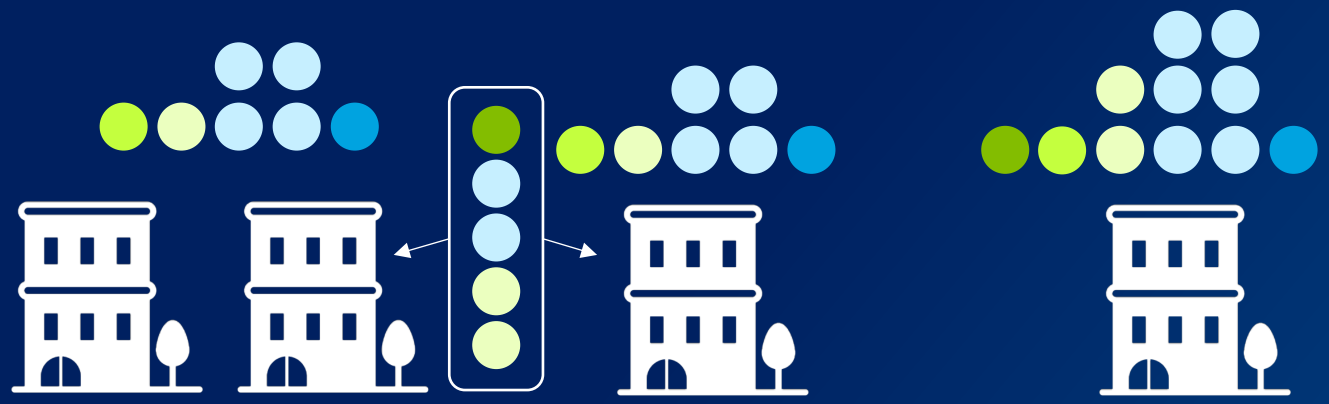
AvalonBay
COMMUNITIES

STAFFING EFFICIENCIES

VENTURA COMMUNITIES

	OLD	NEW
Maintenance Managers	7	4
Community Managers	5	3
Sales & Service Supervisors	5	4
Community Consultants	9	8
Maintenance Techs	24	24
Total	50	43





14%

FTE REDUCTION

Source: *Internal company reports.*

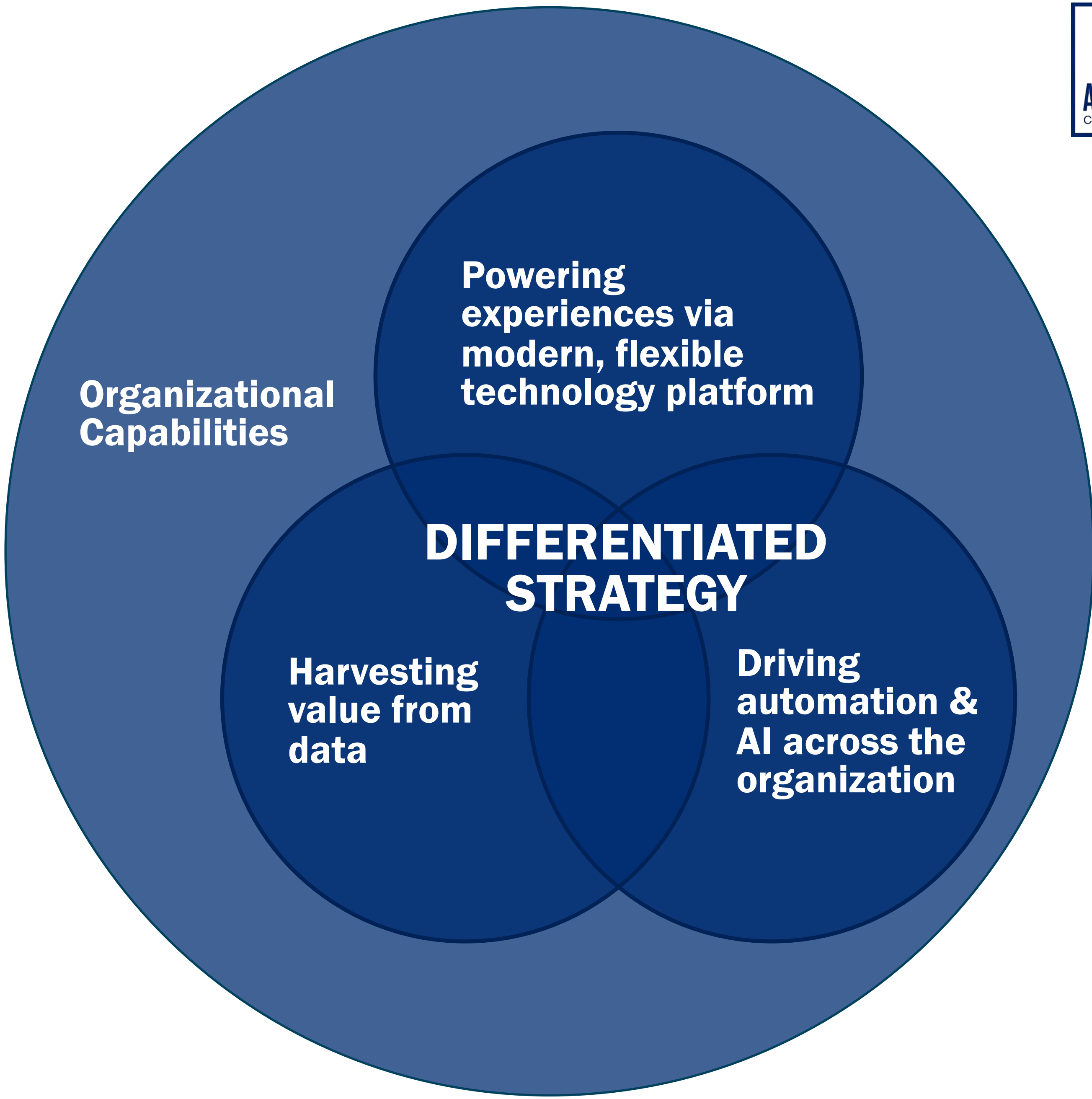
OPERATING MODEL TRANSFORMATION

TECHNOLOGY & DATA

Rukevbe Esi
SVP Chief Digital Officer

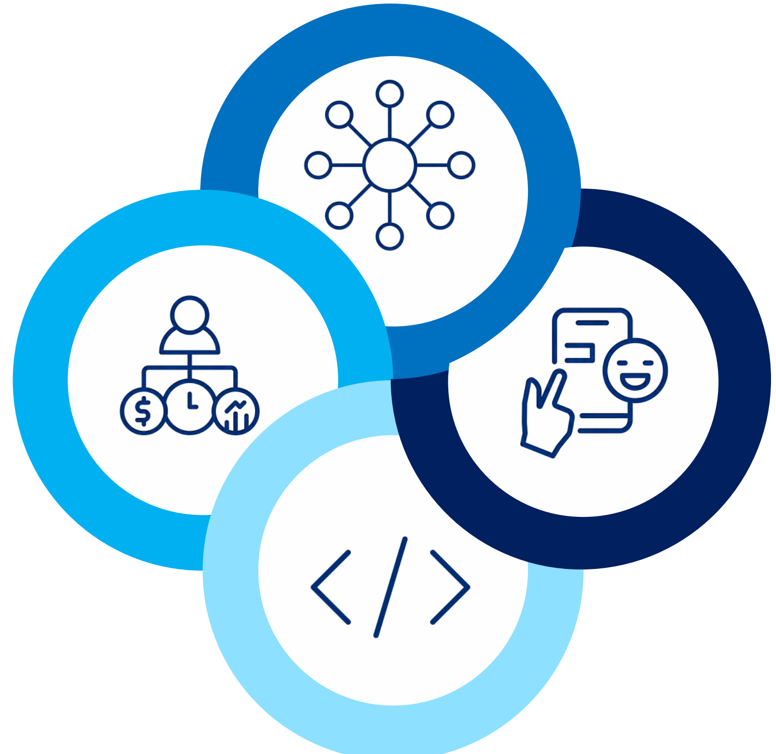
TECHNOLOGY & DATA

DIFFERENTIATED STRATEGY AND NEW ORGANIZATIONAL CAPABILITIES



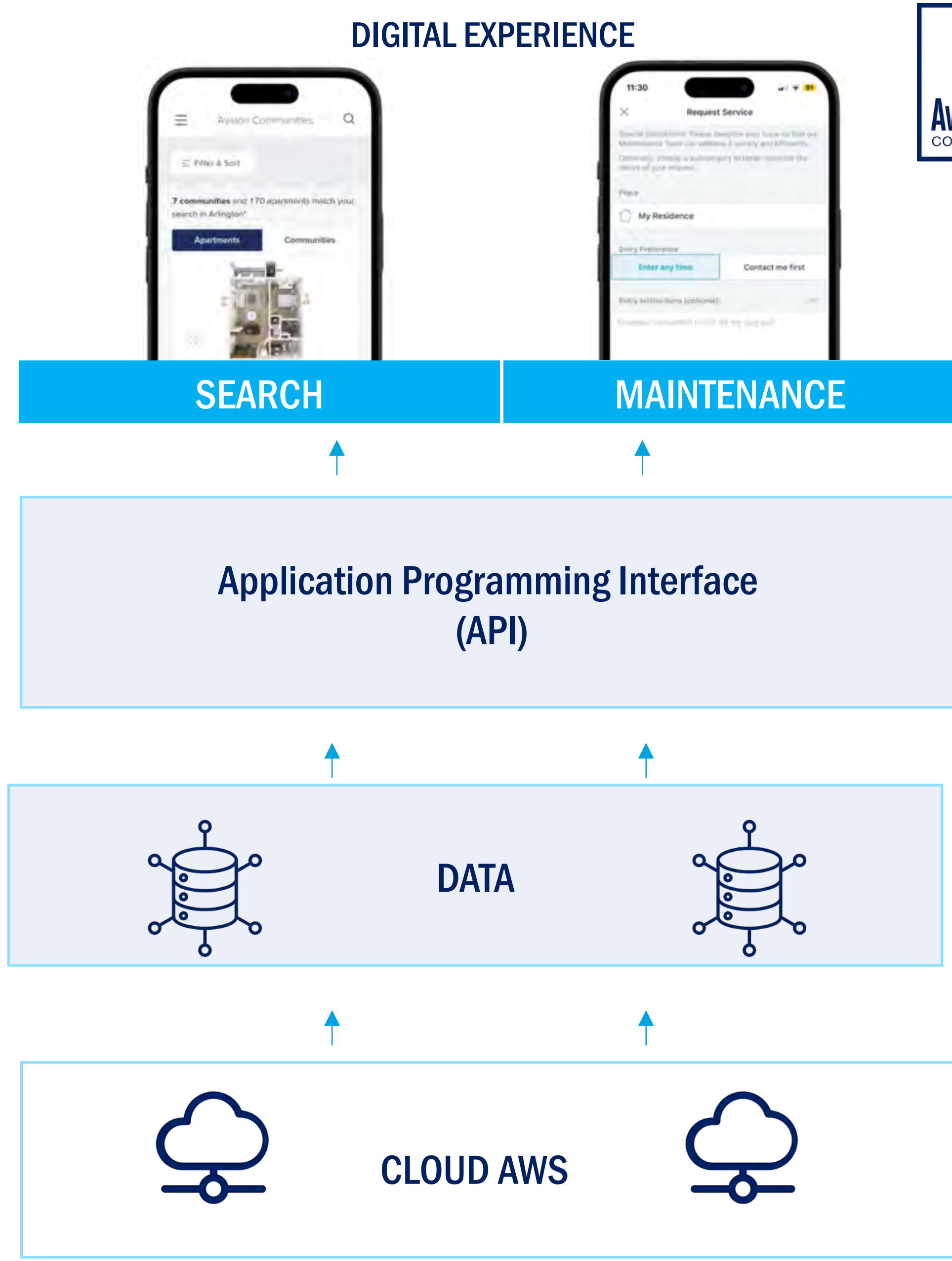
TECHNOLOGY & DATA

NEW ORGANIZATIONAL CAPABILITIES



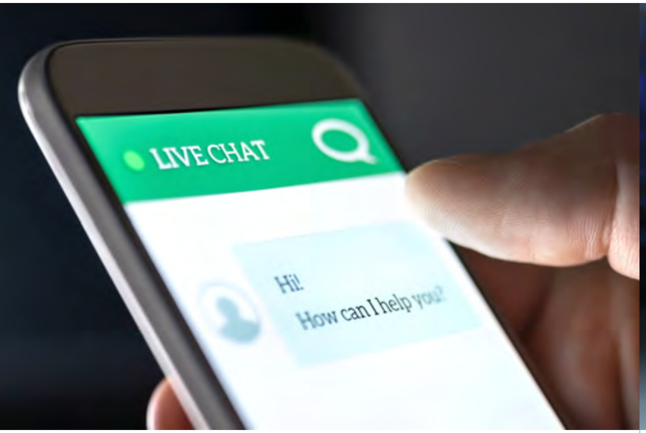
TECHNOLOGY & DATA

MODERN, FLEXIBLE PLATFORM POWERS DIGITAL EXPERIENCES



TECHNOLOGY & DATA

LEVERAGING AI ON OUR PROPRIETARY DATA CREATES COMPELLING OPPORTUNITIES



Customer Interactions

Resolve issues quickly 24/7/365

Decision Support

Automate insights and recommendations

Associate & Enterprise Support

Enhance content creation and search

Back-office Automation

Automate repetitive tasks

AI SPOTLIGHT:

THE FUTURE: VOICE ENABLED AI FOR CUSTOMER INTERACTIONS

OPERATING MODEL TRANSFORMATION CONTINUES TO DRIVE VALUE

AvalonBay COMMUNITIES

HORIZON 1

PROJECTED INCREMENTAL NOI

$55M

≈ 50% by year end 2023
Remainder by year end 2025

HORIZON 2

PROJECTED INCREMENTAL NOI

$25M

During next few years

TOTAL

PROJECTED INCREMENTAL NOI

$80M

Source: Internal company reports.
See Appendix for a definition of projected Incremental NOI.

OPERATING MODEL TRANSFORMATION

KEY TAKEAWAYS

TRACK RECORD OF OPERATING EXCELLENCE AND INNOVATION

- Leading brand as recognized by customers and associates
- Revenue outperformance
- Platform labor efficiencies
- Higher fully-loaded margins than peers

CONTINUING TO INNOVATE AND TRANSFORM THE OPERATING MODEL

- Self-serve, digital experiences for customers and associates
- Organizational model that leverages centralization and neighborhoods
- Powered by a modern, flexible technology platform, AI, automation, and data

OPERATING MODEL TRANSFORMATION IS EXPECTED TO PRODUCE $80 MILLION IN PROJECTED INCREMENTAL NOI

- Horizon 1: $55 million projected by year end 2025 (≈ 50% by year end 2023)
- Horizon 2: $25 million projected over the next several years
- Culture and pipeline of innovation expected to continue to drive operating results

Source: Internal company reports.
See Appendix for a definition of projected Incremental NOI.

PORTFOLIO OPTIMIZATION & DEVELOPMENT GROWTH ENGINE

Matt Birenbaum
Chief Investment Officer

Emily Carmody
VP Capital Projects

Dave Gillespie
SVP Development

Stew Royer
VP Investments

PORTFOLIO OPTIMIZATION

POSITIONING FOR SUPERIOR GROWTH

MARKET SELECTION

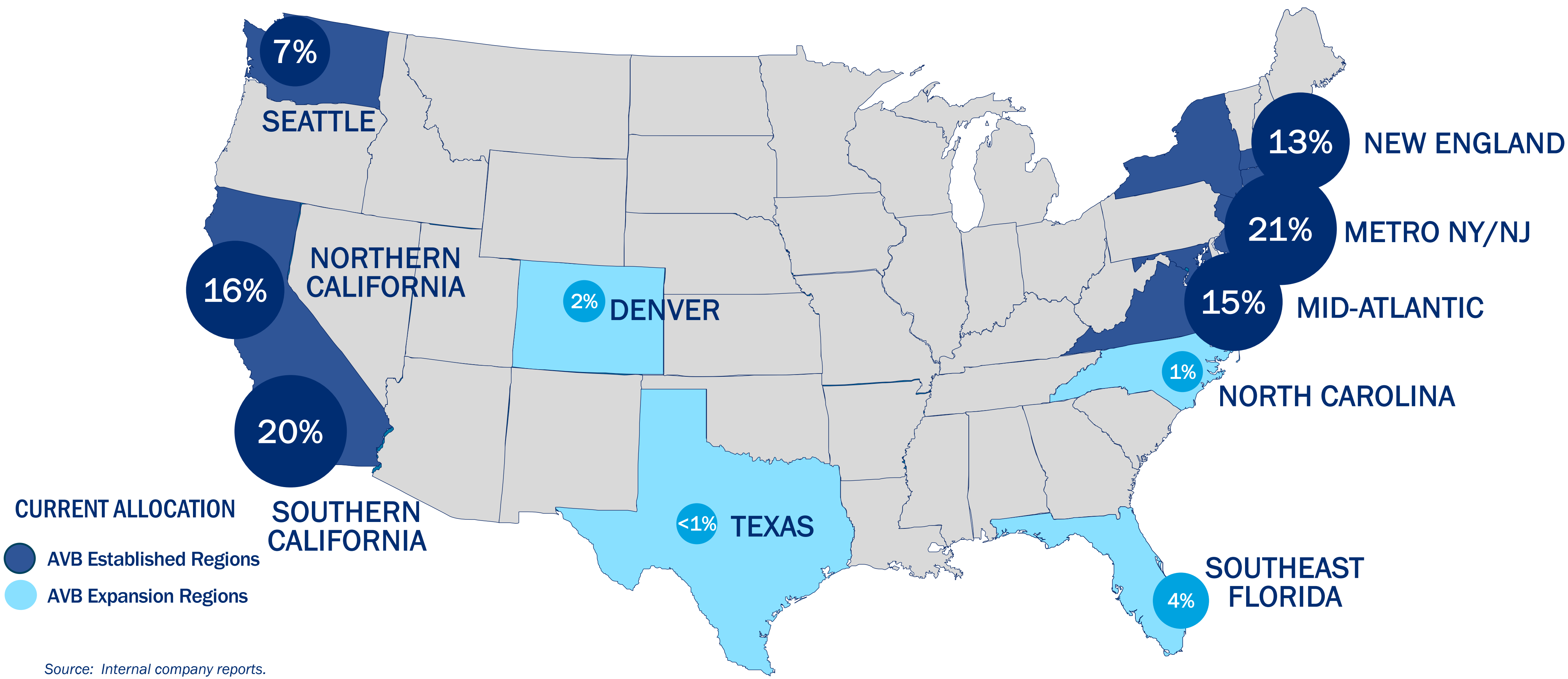
ESTABLISHED & EXPANSION REGIONS WITH STRONG FUNDAMENTALS

SUBMARKET ALLOCATION AND PRODUCT MIX

POSITIONED FOR FUTURE DEMAND | INSULATED FROM NEW SUPPLY

INVESTING IN PORTFOLIO FOR ACCRETIVE GROWTH

CURRENT PORTFOLIO SPREAD ACROSS 10 STRONGEST REGIONS

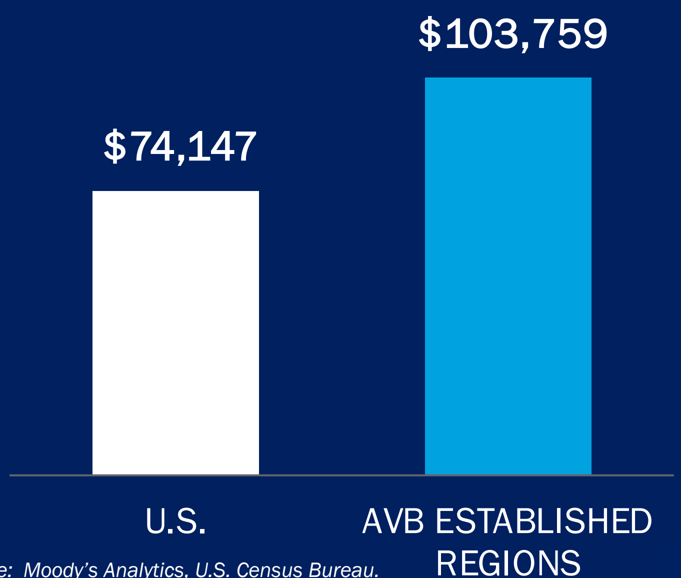


Source: Internal company reports.
Data as of September 30, 2023.
See Appendix for a discussion of Current Allocation.

AVB ESTABLISHED REGIONS FEATURE HIGHER INCOME, HOME VALUES, AND EDUCATION LEVELS

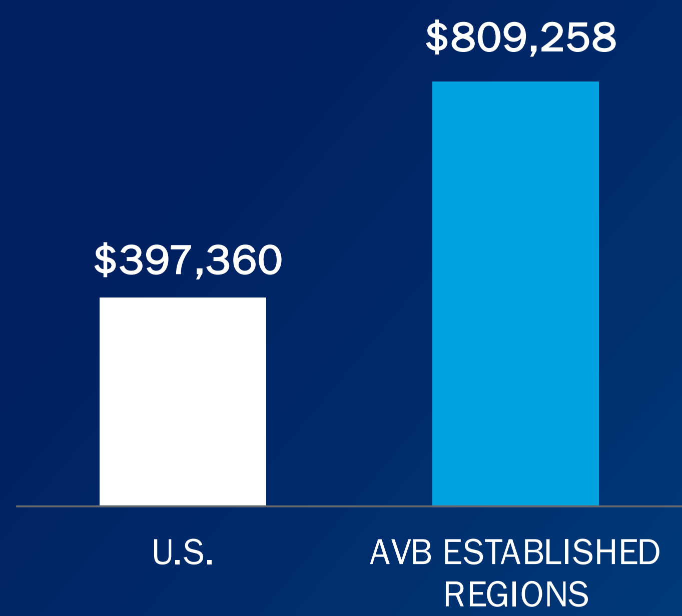
HIGHER INCOME LEVELS

MEDIAN HOUSEHOLD INCOME



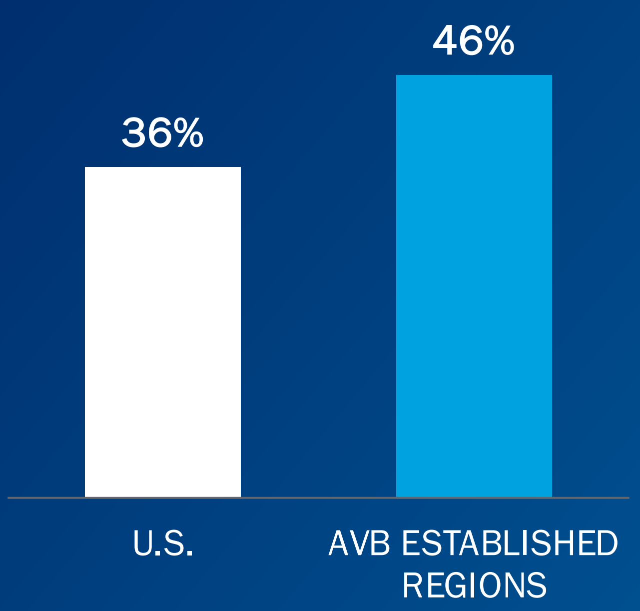
HIGHER COST OF HOMEOWNERSHIP

AVERAGE EXISTING HOME PRICE



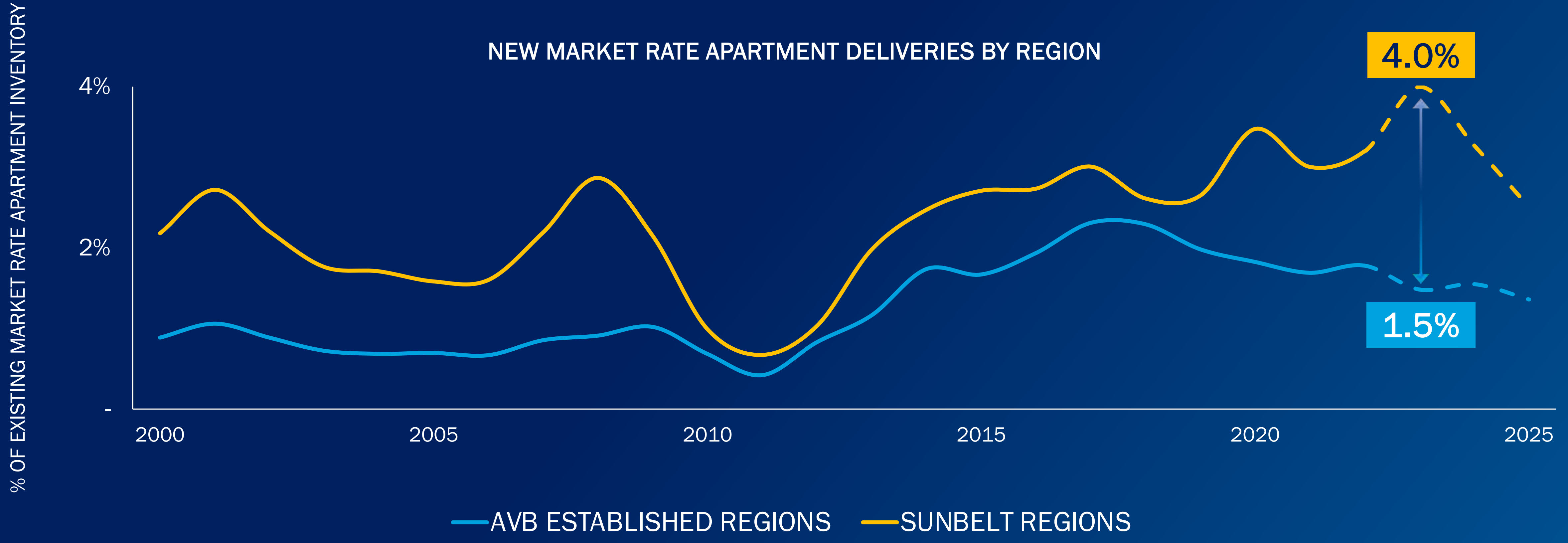
HIGHER EDUCATIONAL ATTAINMENT

% OF ADULTS WITH COLLEGE DEGREE



Source: Moody's Analytics, U.S. Census Bureau. Data as of September 30, 2023.

AVB ESTABLISHED REGIONS BENEFIT FROM LONG-TERM SUPPLY BARRIERS

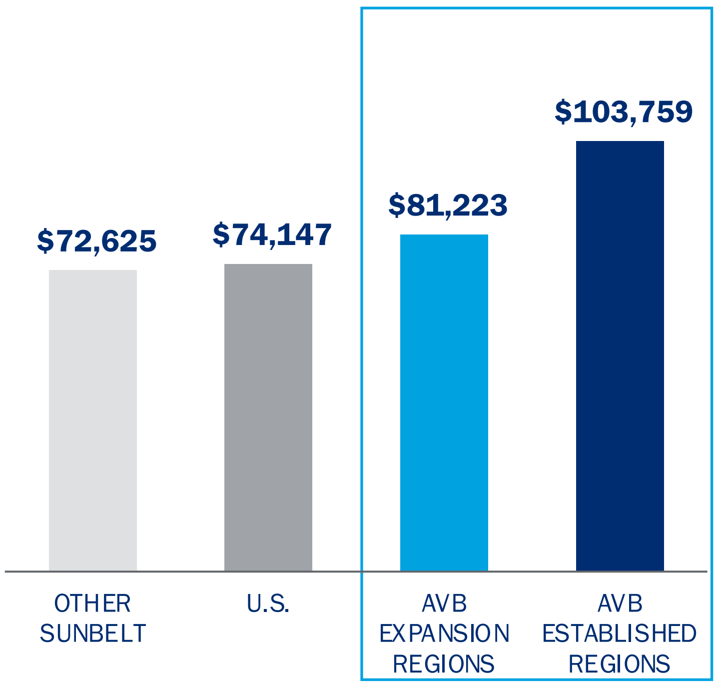


Source: CoStar, AVB Market Research Group.
Data as of September 30, 2023.

EXPANSION REGIONS SELECTED FOR STRONG FUNDAMENTALS

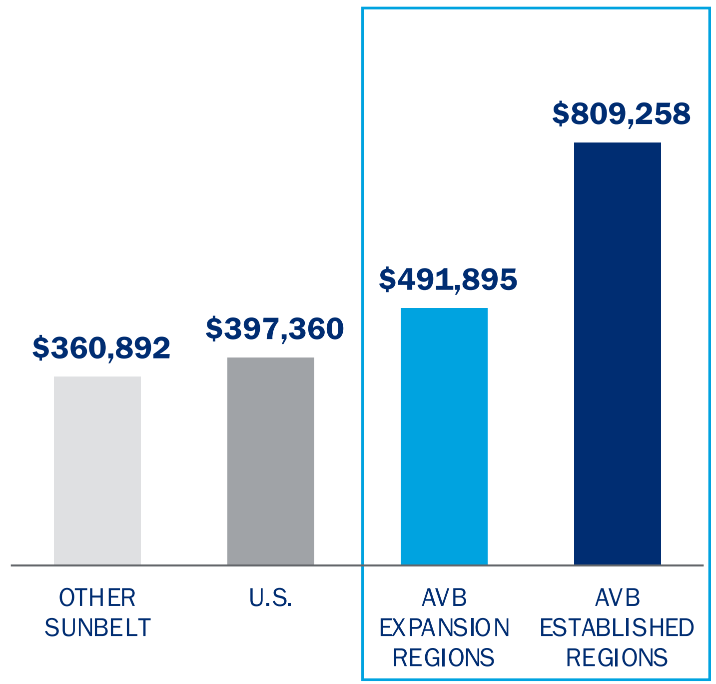
HIGHER INCOME LEVELS

MEDIAN HOUSEHOLD INCOME



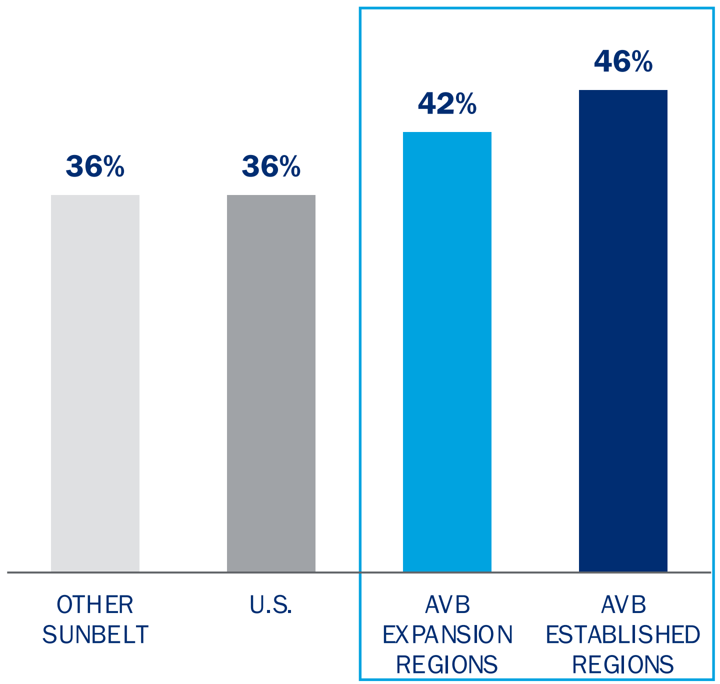
HIGHER COST OF HOMEOWNERSHIP

AVERAGE EXISTING HOME PRICE



HIGHER EDUCATIONAL ATTAINMENT

% OF ADULTS WITH COLLEGE DEGREE



Source: Moody's Analytics, U.S. Census Bureau.
Data as of September 30, 2023.

ADJUSTING TARGET ALLOCATIONS TO OPTIMIZE GROWTH

AvalonBay COMMUNITIES

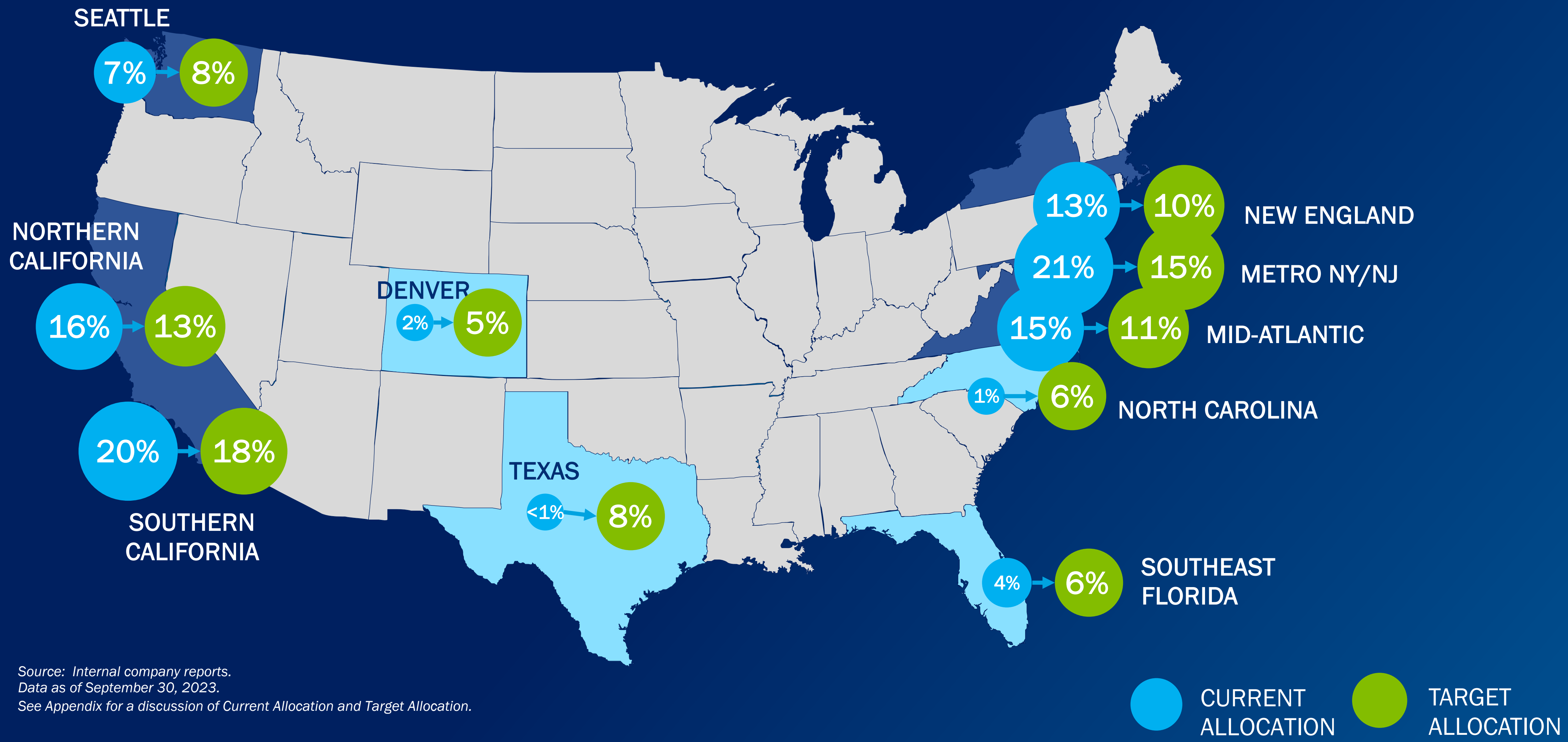
	Relative Market Size(A)	Current Allocation	Target Allocation(B)	Target Index Multiple(B)/(A)
Boston	5%	13%	10%	2.0x
NY/NJ/CT	24%	21%	15%	0.6x
Mid-Atlantic	8%	15%	11%	1.4x
East Coast	**37%**	**49%**	**36% ▼**	**1.0x**
Seattle	4%	7%	8%	2.0x
Northern CA	10%	16%	13%	1.3x
Southern CA	22%	20%	18%	0.8x
West Coast	**36%**	**43%**	**39% ▼**	**1.1x**
Denver	4%	2%	5%	1.3x
Texas	11%	1%	8%	0.7x
North Carolina	5%	1%	6%	1.2x
Southeast FL	7%	4%	6%	0.9x
Expansion Regions	**27%**	**8%**	**25% ▲**	**0.9x**

OVERWEIGHT (>1.0x)
UNDERWEIGHT (<1.0x)

Source: Internal company reports, CoStar.
Data as of September 30, 2023.
See Appendix for a discussion of Current Allocation and Target Allocation.
Relative Market Size represents the market size of the identified market based on estimated total residential rental revenue of that market per CoStar, expressed as a percentage of the sum of the same for all AVB markets in the table above.
North Carolina includes Raleigh-Durham and Charlotte; Texas includes Dallas-Fort Worth and Austin.

EVOLVING PORTFOLIO FOR FUTURE TRENDS

AvalonBay COMMUNITIES



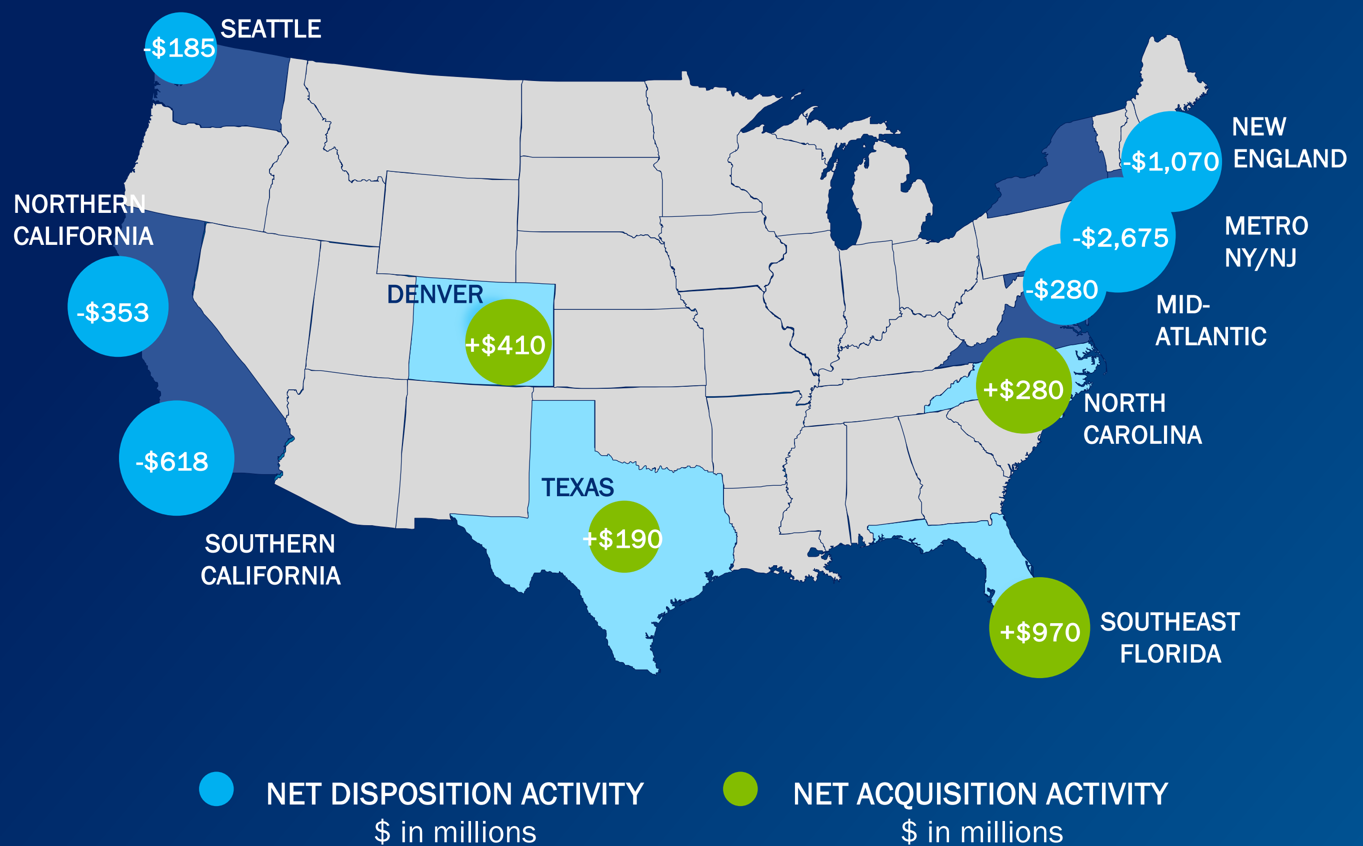
Source: Internal company reports.
Data as of September 30, 2023.
See Appendix for a discussion of Current Allocation and Target Allocation.

AVB EXPANSION REGION GROWTH: SELF-FUNDING THROUGH CAPITAL RECYCLING

Shaping Future Portfolio

TRANSACTION ACTIVITY SINCE Q3 2017[1]

	Dispositions	Acquisitions
Volume	$5.7B	$2.4B
Wtd. Avg. Age	21 years	6 years
Wtd. Avg. Cap Rate[2]	4.4%	4.2%
Suburban | Urban	68% | 32%	88% | 12%



Source: Internal company reports.
Data as of September 30, 2023.
Map includes wholly-owned and joint venture activity at share, and represents activity completed since first AVB Expansion Region acquisition (mid-2017).
(1) Includes wholly-owned and joint venture dispositions at share.
(2) Includes wholly-owned activity only.

PORTFOLIO OPTIMIZATION

POSITIONING FOR SUPERIOR GROWTH

MARKET SELECTION

ESTABLISHED & EXPANSION REGIONS WITH STRONG FUNDAMENTALS

SUBMARKET ALLOCATION AND PRODUCT MIX

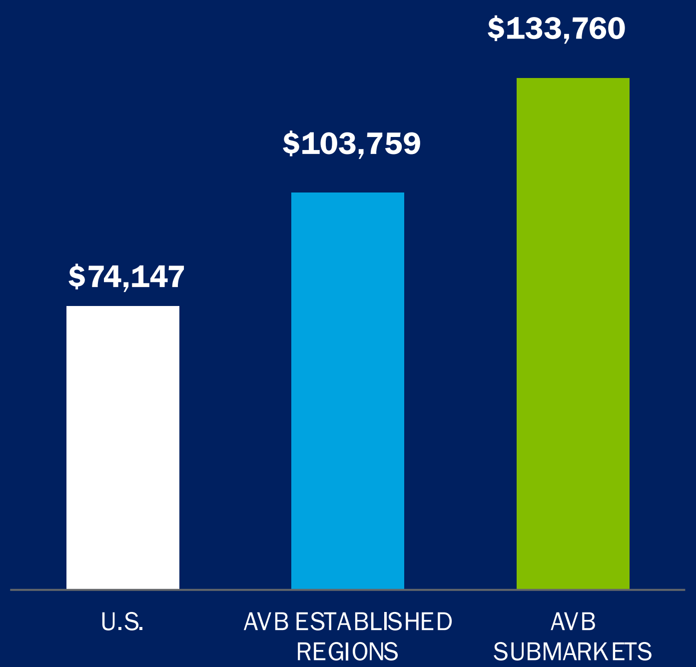
POSITIONED FOR FUTURE DEMAND | INSULATED FROM NEW SUPPLY

INVESTING IN PORTFOLIO FOR ACCRETIVE GROWTH

PORTFOLIO CONCENTRATED IN HIGHEST QUALITY SUBMARKETS

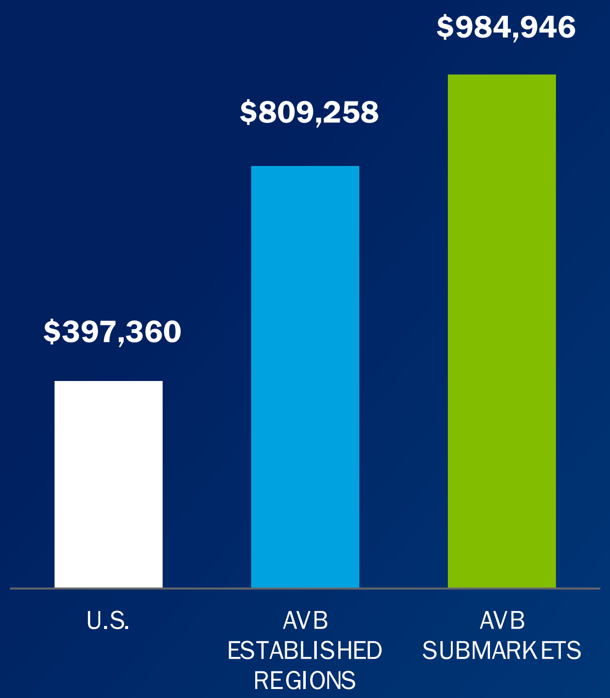
HIGHER INCOME LEVELS

MEDIAN HOUSEHOLD INCOME



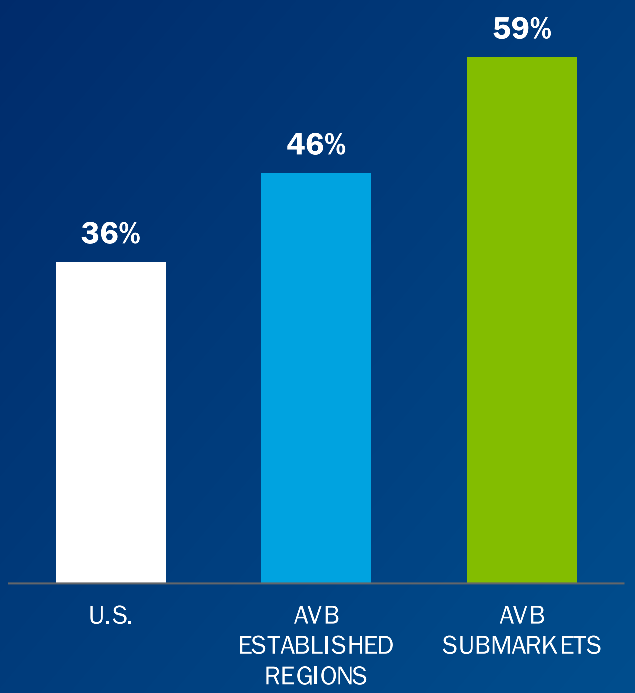
HIGHER COST OF HOMEOWNERSHIP

AVERAGE EXISTING HOME PRICE



HIGHER EDUCATIONAL ATTAINMENT

% OF ADULTS WITH COLLEGE DEGREE

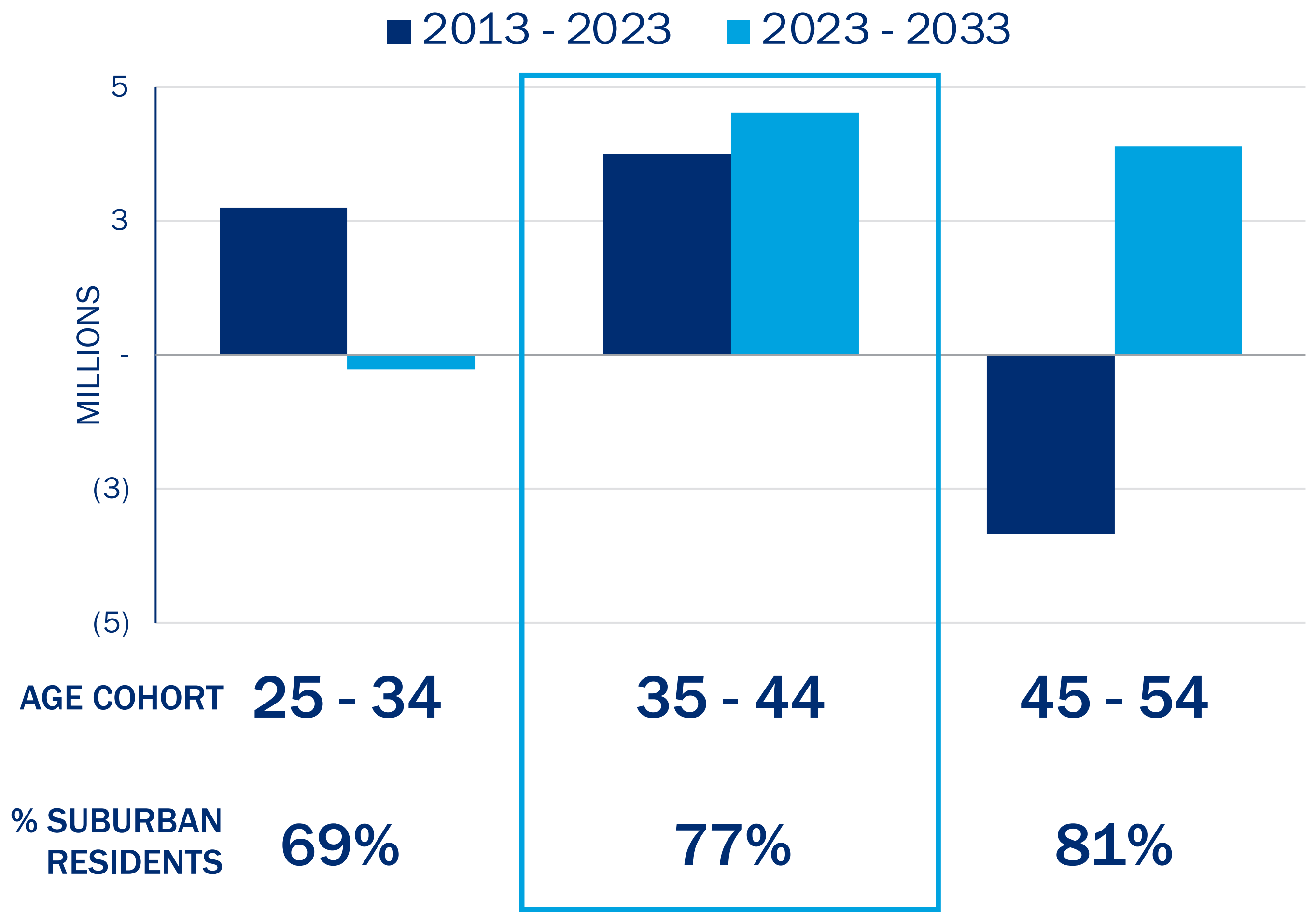


Source: Moody's Analytics, U.S. Census Bureau.
Data as of September 30, 2023.

RENTAL DEMAND EXPECTED TO SHIFT TO SUBURBS AS MILLENNIALS AGE

POPULATION GROWTH

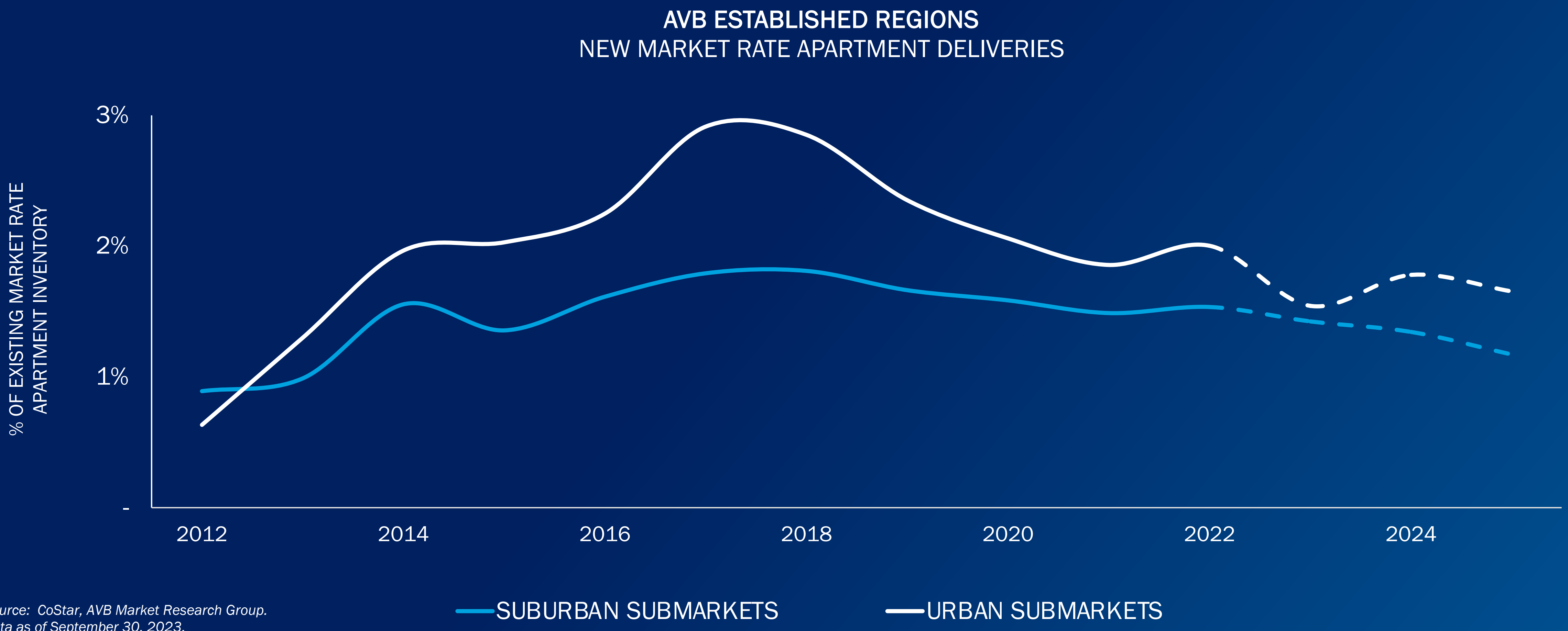
By Age Cohort



Source: U.S. Census Bureau.
Data as of September 30, 2023.

SUBURBAN SUBMARKETS HISTORICALLY INSULATED FROM NEW SUPPLY

AvalonBay COMMUNITIES



Source: CoStar, AVB Market Research Group.
Data as of September 30, 2023.

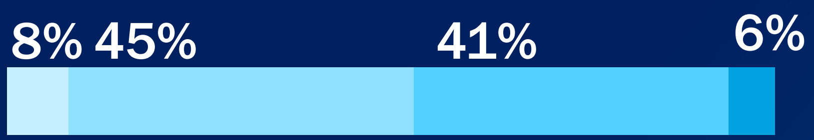
PRODUCT OFFERING APPEALING TO AGING MILLENNIALS

Product Mix

SUBURBAN | URBAN

Unit Mix

Studio | 1BR | 2BR | 3^{+}BR



Larger Units & Product Types

930
AVG UNIT SIZE (SQ FT.)

13,700
LARGER FORMAT HOMES (UNITS)

16%
LARGER FORMAT HOMES (% OF PORTFOLIO)

Source: Internal company reports.
Data as of September 30, 2023.
Larger format homes include townhomes, 3-bedroom flats, and apartments with a den or a loft.

DENVER CASE STUDY: EXPANSION REGION PORTFOLIO OPTIMIZED FOR GROWTH

DENVER ACQUISITIONS

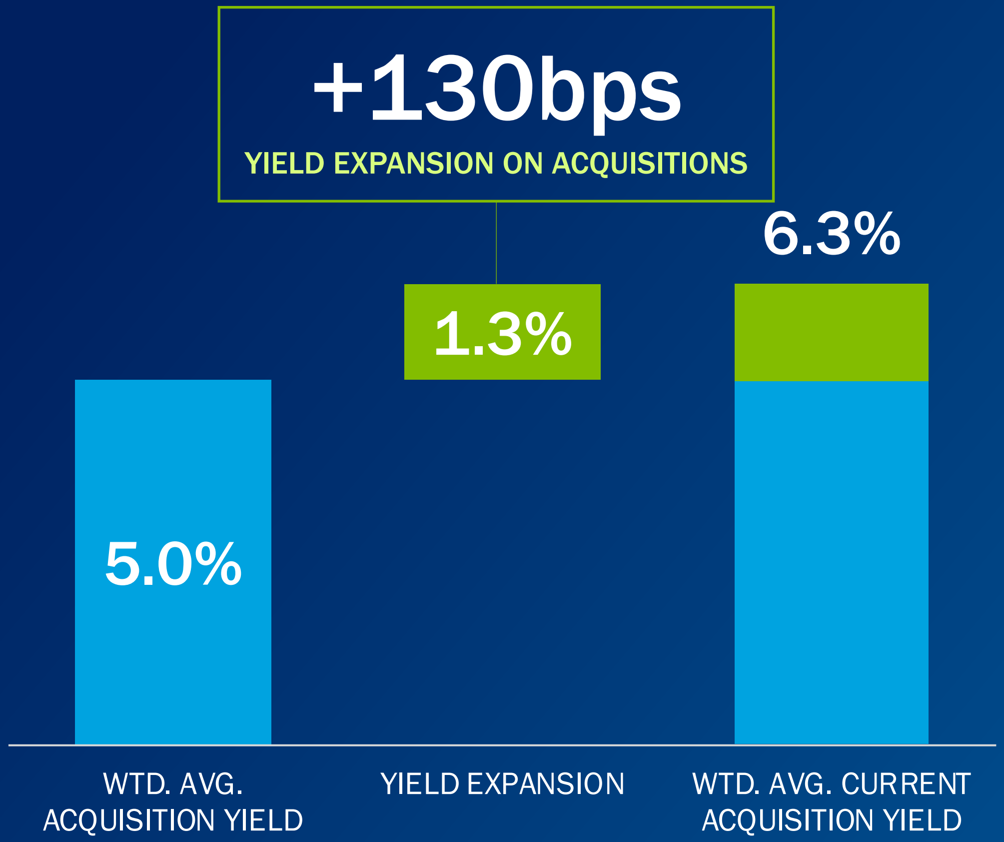
5 | $316M

- 100% garden, direct entry or townhome
- Supply-constrained, second-ring suburbs
- Appealing to aging Millennials and Empty Nesters

DENVER DEVELOPMENTS

3 | $332M

- Midrise and high rise
- Infill submarkets with strong initial value creation
- Appealing to young professionals



Source: Internal company reports.
Data as of September 30, 2023.
See Appendix for a definition of Acquisition Yield, Yield Expansion, and Current Acquisition Yield.

PORTFOLIO OPTIMIZATION SUMMARY

POSITIONING FOR SUPERIOR GROWTH

Unmatched Quality

Over 50% of portfolio developed by AVB

70% Suburban Portfolio

Set to capture future demand

Expansion Region Growth

To further optimize portfolio

Accretive Investment Opportunities

For incremental NOI growth

Source: Internal company reports.
Data as of September 30, 2023.

PORTFOLIO OPTIMIZATION &
DEVELOPMENT GROWTH ENGINE

PORTFOLIO OPTIMIZATION

POSITIONING FOR SUPERIOR GROWTH

Emily Carmody
VP Capital Projects

MARKET SELECTION

ESTABLISHED & EXPANSION REGIONS WITH STRONG FUNDAMENTALS

SUBMARKET ALLOCATION AND PRODUCT MIX

POSITIONED FOR FUTURE DEMAND | INSULATED FROM NEW SUPPLY

INVESTING IN PORTFOLIO FOR ACCRETIVE GROWTH

INVESTING FOR ACCRETIVE GROWTH

APARTMENT UPGRADES

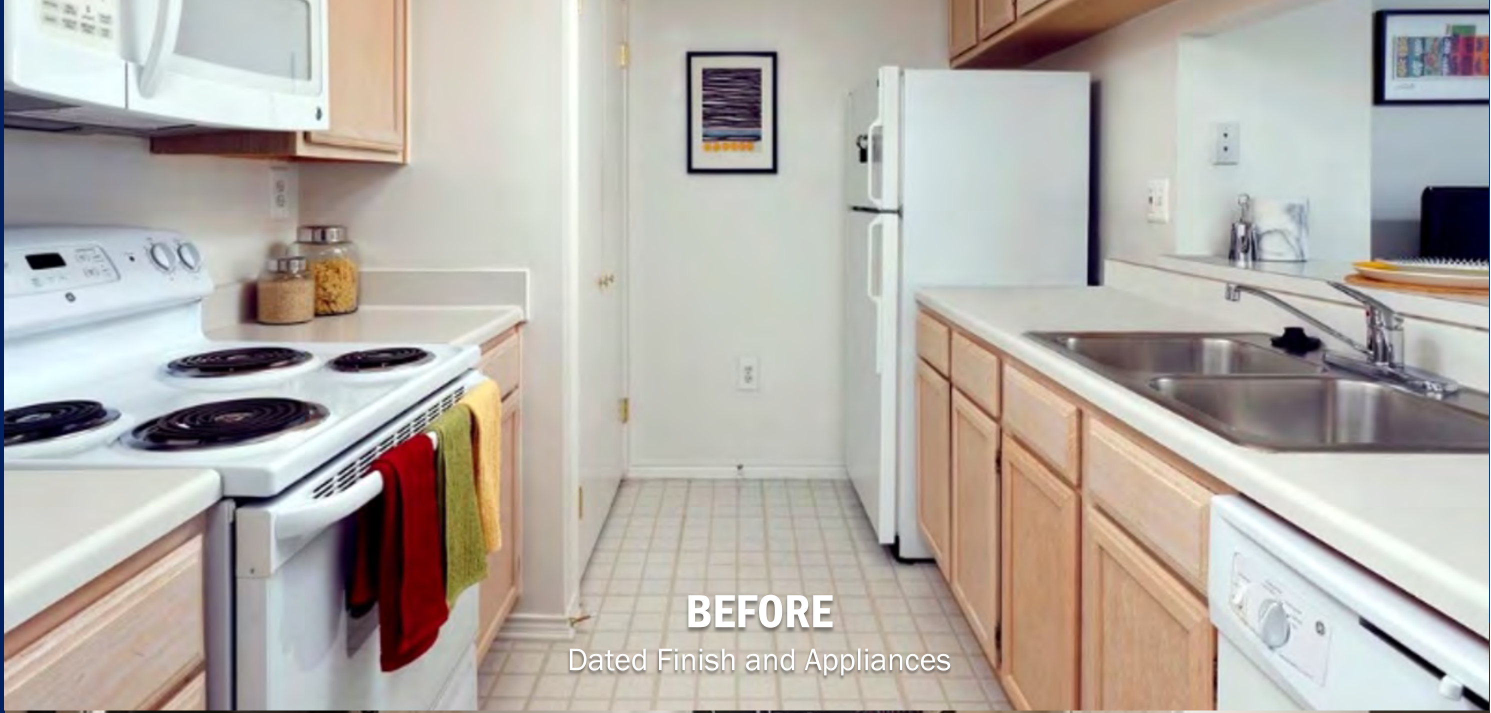
6,000
UNITS SINCE 2018

3.8
AVG DAYS TURNAROUND TIME

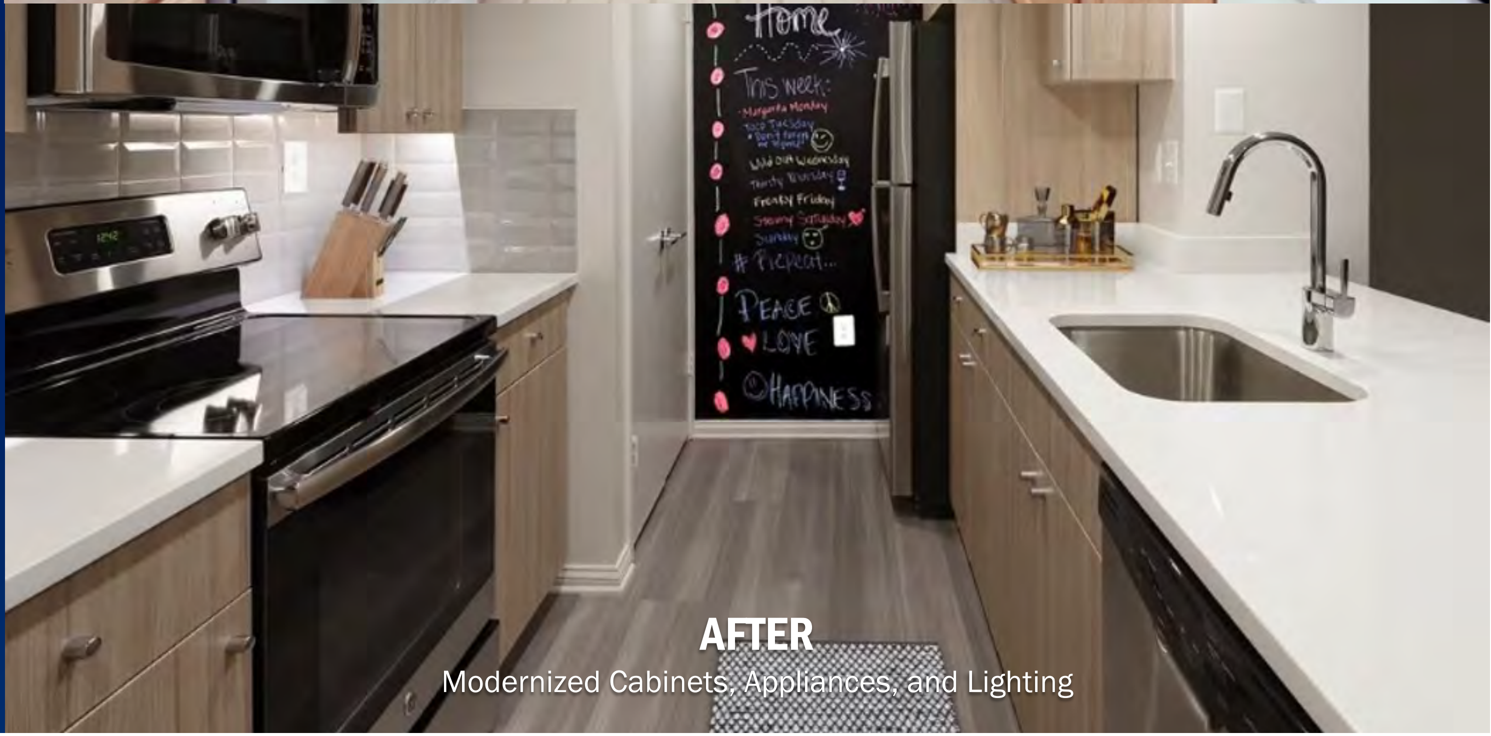
$140M
INVESTED SINCE 2018

10%
RETURN ACHIEVED

Source: Internal company reports.
Data as of September 30, 2023.



BEFORE
Dated Finish and Appliances



AFTER
Modernized Cabinets, Appliances, and Lighting

INVESTING FOR ACCRETIVE GROWTH

ACCESSORY DWELLING UNITS (ADUs)

Exclusively in California, ADUs convert underutilized community space (e.g., garages, storage space) into rentable market rate apartment homes

$5M
INVESTED

12%
YIELD

200+
OPPORTUNITIES IDENTIFIED IN CA

WA & CO
EXPANSION POTENTIAL (STATES)

26
ADUs BUILT

Source: Internal company reports.
Data as of September 30, 2023.

BEFORE
Supply Closet

AFTER
Studio Apartment

INVESTING FOR ACCRETIVE GROWTH

SOLAR

Reduces scope 2 and 3 emissions

30M
KWH ANNUALLY[1]

14%
UNLEVERED IRR

SINCE 2018

$75M+
COMMITTED

90
PROJECTS

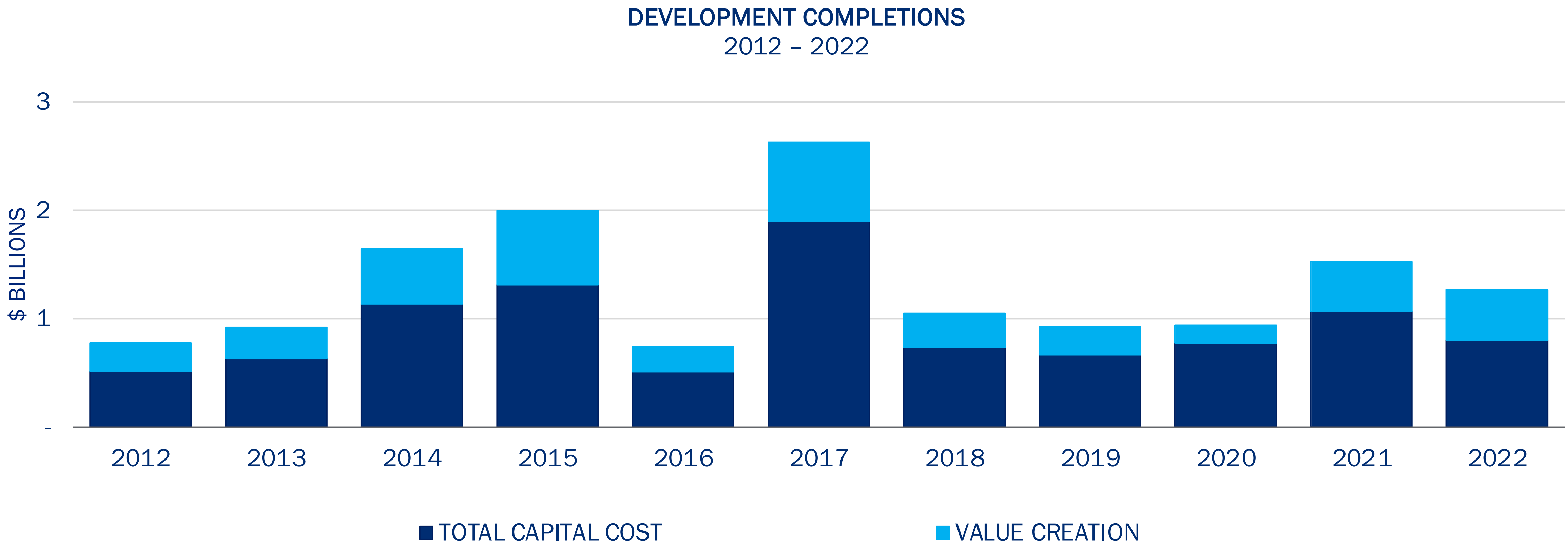
Source: Internal company reports.
Data as of September 30, 2023.
(1) Upon stabilization.

PORTFOLIO OPTIMIZATION & DEVELOPMENT GROWTH ENGINE

DEVELOPMENT GROWTH ENGINE

Dave Gillespie
SVP Development

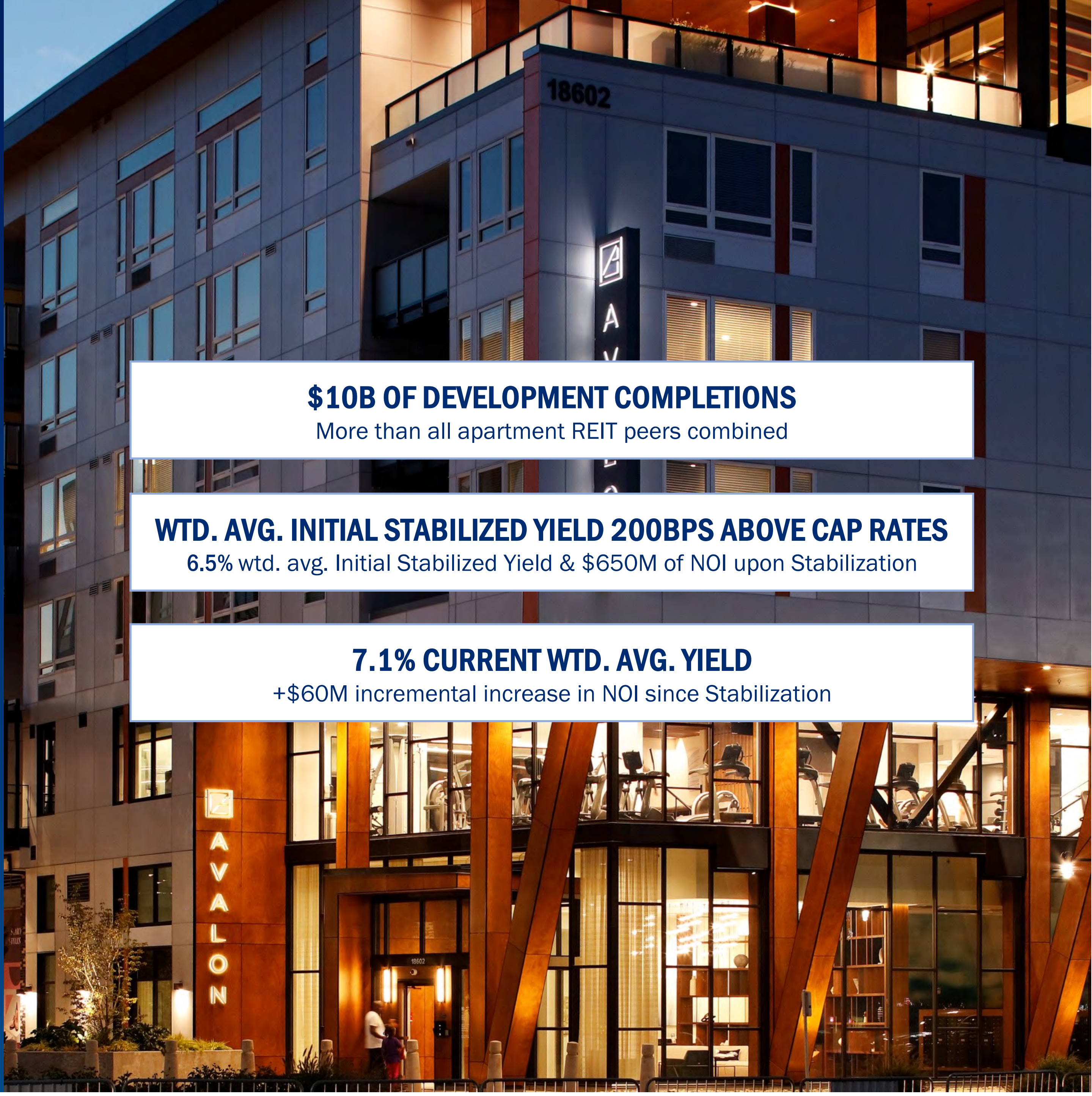
UNIQUE DEVELOPMENT CAPABILITIES DRIVE EXTERNAL GROWTH AT CONSISTENTLY STRONG PROFIT MARGINS



Source: Internal company reports.
See Appendix for a definition of Value Creation.

VALUE CREATION TRACK RECORD

$4.4B VALUE CREATION SINCE 2012



$10B OF DEVELOPMENT COMPLETIONS

More than all apartment REIT peers combined

WTD. AVG. INITIAL STABILIZED YIELD 200BPS ABOVE CAP RATES

6.5% wtd. avg. Initial Stabilized Yield & $650M of NOI upon Stabilization

7.1% CURRENT WTD. AVG. YIELD

+$60M incremental increase in NOI since Stabilization

Source: Internal company reports, company filings.
See Appendix for a definition of Initial Stabilized Yield and NOI.

STRONG RISK MANAGEMENT CRITICAL TO LONG TERM SUCCESS

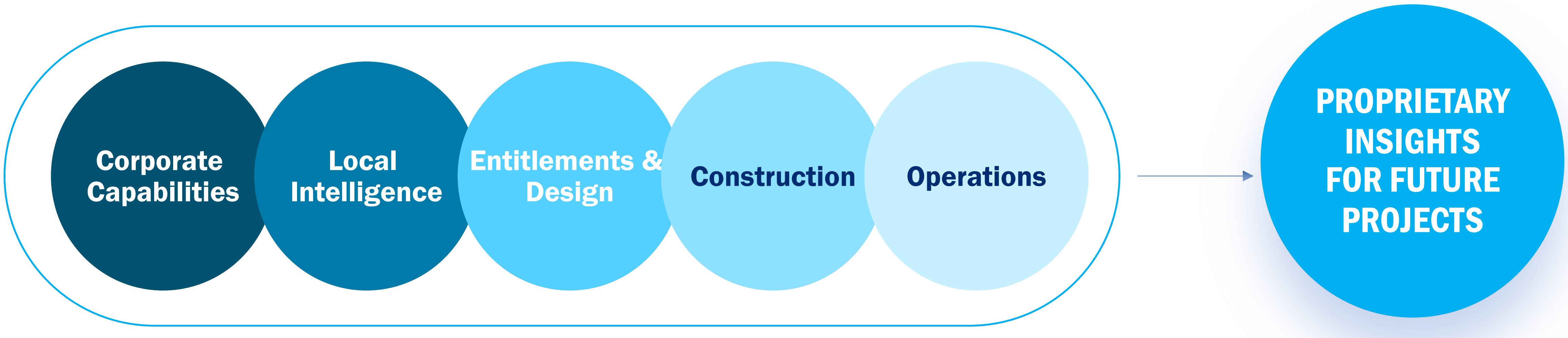
1. **PROPRIETARY TARGET RETURN MATRIX SETS REQUIRED YIELDS ON INVESTMENT**
   - MARKET & PRODUCT TYPE ADJUSTMENTS
   - PURSUIT COSTS REQUIRED
   - CONSTRUCTION COMPLEXITY
   - LOCAL REGULATORY EXPOSURE
   - CLIMATE RISK ANALYSIS

2. **LIMIT LAND INVENTORY AND MINIMIZE PURSUIT COSTS**

Source: Internal company reports.

DURABLE COMPETITIVE ADVANTAGE

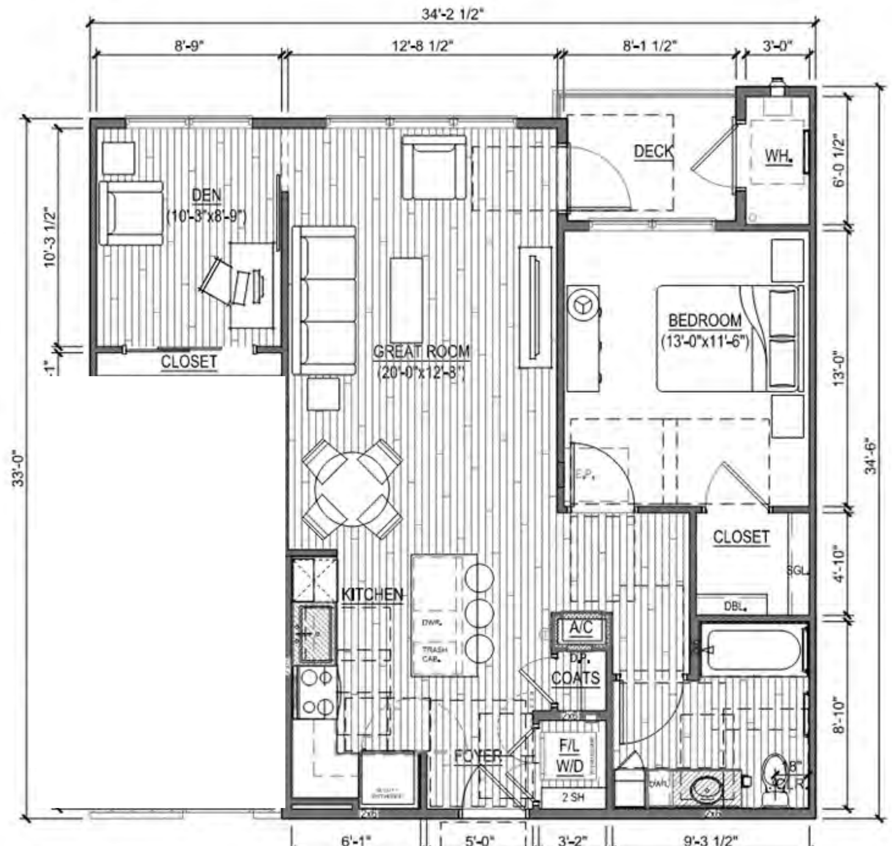
Unique organizational structure & integrated capabilities



APARTMENTS AND AMENITIES TAILORED TO RESIDENT PREFERENCES

Designs evolved based on proprietary customer data and feedback

Source: *Internal company reports.*

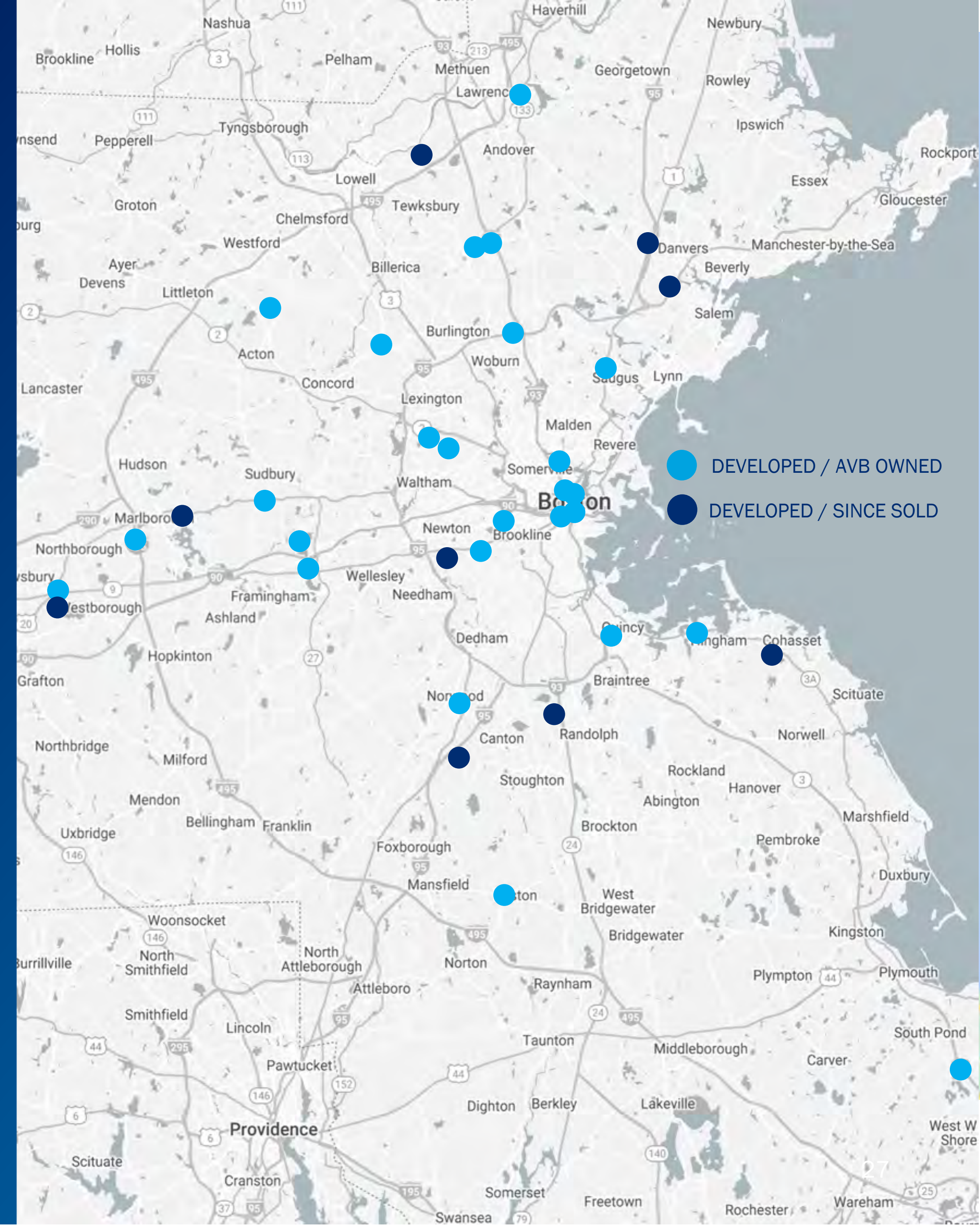


BOSTON CASE STUDY: REGIONAL EXCELLENCE

Delivering outstanding total investment returns over multiple cycles

BOSTON DEVELOPMENT OVERVIEW

Developed Communities	51
Apartment Homes	12,200
Investment	$3.0B
Unlevered IRR(1)	11.5%



Source: Internal company reports.
Data as of September 30, 2023.
(1) Aggregated Unlevered IRR, which includes both realized returns for communities sold and actual and projected returns for communities still owned by the Company based on an estimated net sales price as of September 30, 2023.

DEVELOPMENT CASE STUDY

AVALON QUINCY ADAMS

Quincy, MA

303 Apartment Homes

2024 Potential Construction Start

AVALON QUINCY ADAMS

AVB COMPETITIVE ADVANTAGES CREATE UNIQUE VALUE

AvalonBay COMMUNITIES

- Relationships with Landowner & City
- Direct Construction Cost Data
- Rent & Operating Expense Data From Nearby AVB Communities
- Ability to Make Capital Commitments in Uncertain Environment
- Design Modifications to Enhance Returns

Sept 2022	Jan 2023	Feb 2023 & March 2023	April 2023
Site awarded to another developer	Seller's original deal falls through and agrees to terms with AVB	Due diligence (design, budgeting, environmental)	Investment committee approval and land closing

Source: Internal company reports.

AVALON QUINCY ADAMS

Modifications to improve estimated economic return

INCREASED PROJECTED STABILIZED YIELD

+100bps

DECREASED PROJECT COST BY

>$60,000/unit

Source: Internal company reports.

Initiative	Impact
1. Reduced land price	Purchased at 40% discount to prior buyer
2. Redesigned building to create value	50% reduction in parking construction cost
	Costly high-rise code avoided
	Building efficiency increased (80% to 85%)
3. Applied operating model	Reduced projected payroll costs by 60%

PORTFOLIO OPTIMIZATION &
DEVELOPMENT GROWTH ENGINE

NEW SOURCES OF GROWTH

Developer Funding Program
Structured Investment Program

Stew Royer
VP, Investments

NEW SOURCES OF GROWTH

DEVELOPER FUNDING PROGRAM

Supports Expansion Region growth via third-party development partnerships

FASTER, MORE SCALABLE

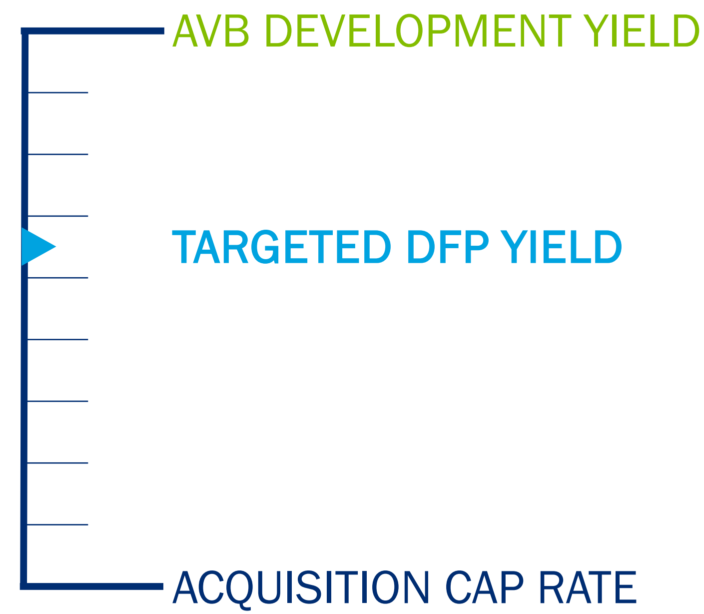
Acquiring entitled sites provides nearer term construction start

Scalable based on:

- Market conditions
- Cost of capital
- Opportunity set

ACCRETIVE TO ACQUISITIONS

Yields historically higher than acquisitions



Source: Internal company reports.

NEW SOURCES OF GROWTH

DEVELOPER FUNDING PROGRAM

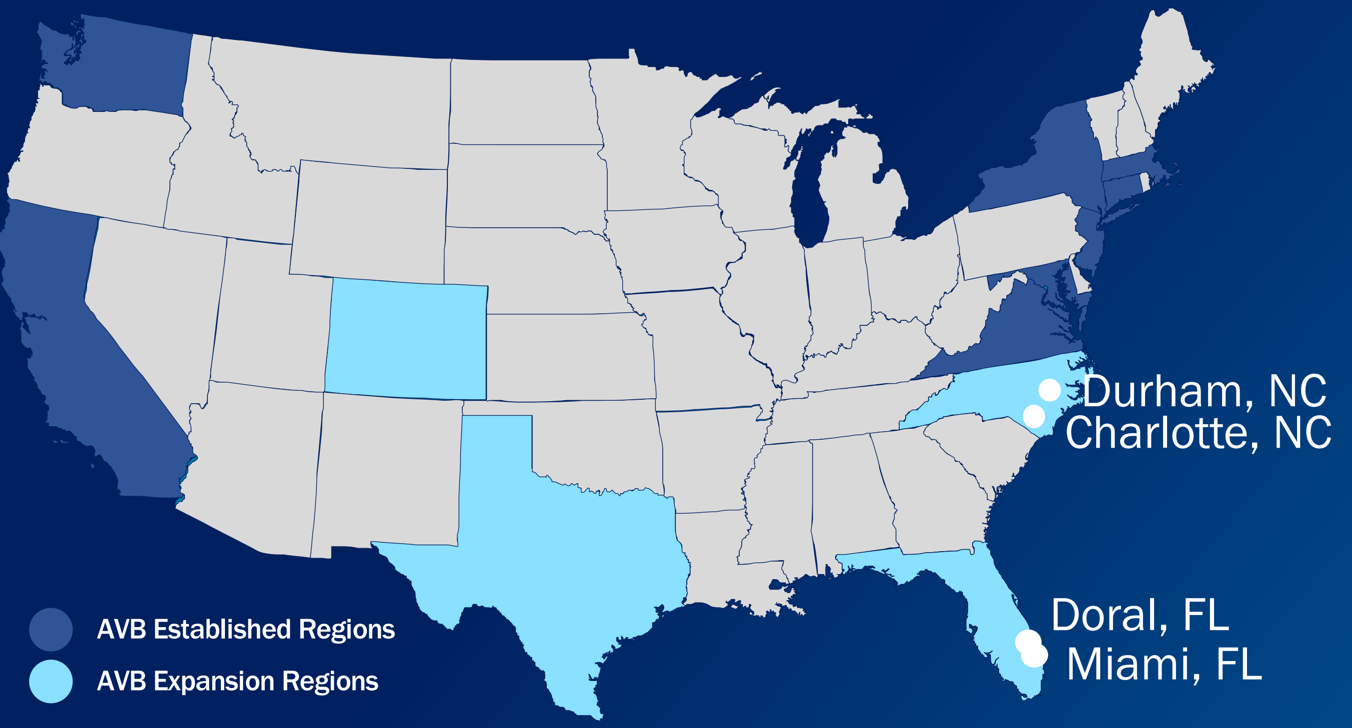
4
INVESTMENTS

$436M
PROJECTED TOTAL CAPITAL COST

1,284
UNITS

6.3%
PROJECTED INITIAL STABILIZED YIELD (TWO COMPLETED PROJECTS)

Source: Internal company reports.



NEW SOURCES OF GROWTH

STRUCTURED INVESTMENT PROGRAM

Provide mezzanine debt or preferred equity to third-party developers to drive incremental earnings growth for AVB

$300M - $500M
TARGET PROGRAM SIZE

11.3%
WTD. AVG. RATE OF RETURN

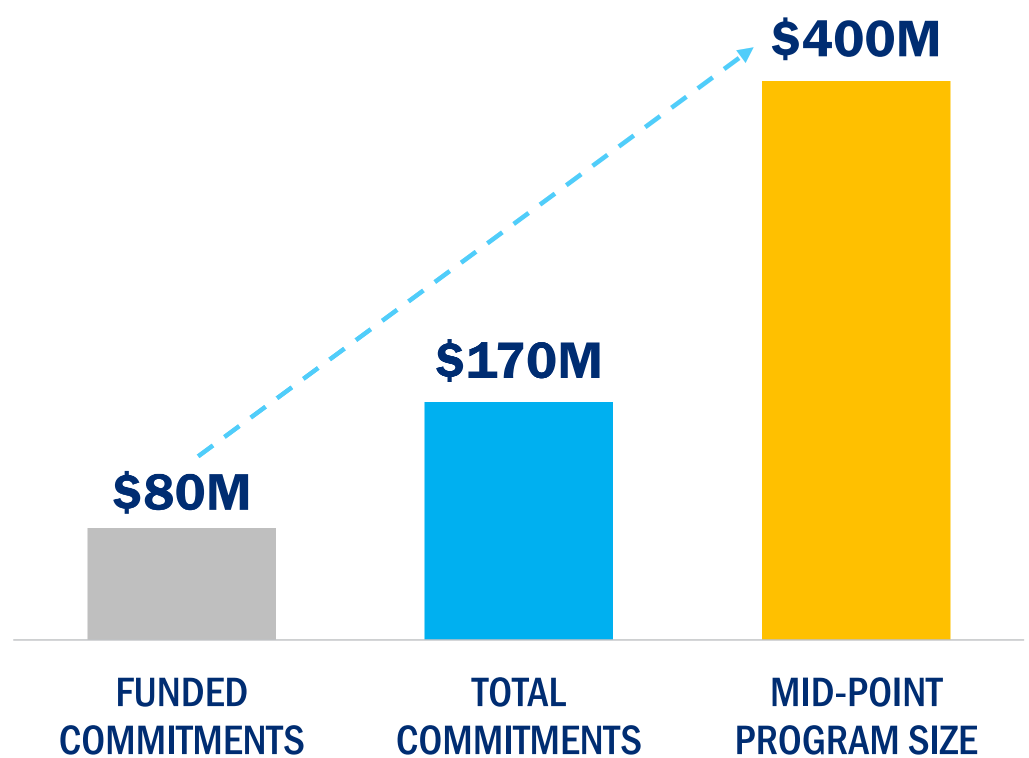
13%
TARGET RATE ON NEW ORIGINATIONS

79%
WTD. AVG. LOAN-TO-COST

Source: Internal company reports.
Data as of November 15, 2023.
Weighted averages based on the Company's commitments.

AvalonBay COMMUNITIES

Funding Targets and Pace



SIP CASE STUDY

OLD TAPPAN, NJ

UNDER CONSTRUCTION

Source: Internal company reports.

PROJECT HIGHLIGHTS

130
APARTMENT HOMES

$69M
PROJECTED TOTAL CAPITAL COST

$13M
AVB COMMITMENT

78%
LOAN-TO-PROJECTED TOTAL CAPITAL COST

UNDERWRITING INSIGHTS

1. Superior Risk Profile
2. Deep Market Knowledge

PORTFOLIO OPTIMIZATION & DEVELOPMENT GROWTH ENGINE

KEY TAKEAWAYS

PREMIER PORTFOLIO POSITIONED TO OUTPERFORM

- Concentrated in suburban submarkets with larger format product

STEADY GROWTH IN EXPANSION REGIONS

- Optimize long-term growth profile and mitigate risk

INVESTING IN EXISTING PORTFOLIO FOR INCREMENTAL GROWTH

- Increasing Same Store NOI growth at attractive returns

UNIQUE DEVELOPMENT PLATFORM

- Consistently generates accretive external growth

NEW SOURCES OF GROWTH

- Developer Funding Program
- Structured Investment Program

CAPITAL MANAGEMENT & ESG

Kevin O'Shea
Chief Financial Officer

Nika Dufour
VP Capital Markets

Mike Simel
VP Capital Markets

Katie Rothenberg
VP ESG

FINANCIAL STRATEGY: ENSURING CONTINUOUS ACCESS TO COST EFFECTIVE CAPITAL

INTEGRATED CAPITAL MANAGEMENT

- MANAGE LIQUIDITY AND BORROWING CAPACITY
- OPTIMIZE SOURCING OF CAPITAL
- MATCH-FUND NEW COMMITMENTS

DATA DRIVEN APPROACH TO INVESTMENT AND CAPITAL FORMATION

AvalonBay COMMUNITIES

ACTIONS

- Analyze capital alternatives
- Set hurdle rates
- Informs start volume
- Adjust capital sourcing

Match-Funding

Integrates Investment & Finance

RESULTS

- Lock in projected development profit
- Manage funding risk
- Consistent earnings growth
- Stronger balance sheet

Source: Internal company reports.
Images are for illustrative purposes only.

CAPITAL MANAGEMENT & ESG

INTEGRATED CAPITAL MANAGEMENT

Manage Liquidity and Borrowing Capacity

Nika Dufour
VP Capital Markets

BALANCE SHEET STRENGTH FACILITATES CONTINUED GROWTH

Credit Ratings

A3 | A-

MOODY'S | S&P

Net Debt-to-Core EBITDAre

4.1x | 4.6x

AVB | MULTIFAMILY PEERS(1)

Unencumbered NOI

95%

Debt Service Coverage(2)

7.3x | 6.2x

AVB | MULTIFAMILY PEERS(1)

Source: Internal company reports, company filings.
Data as of September 30, 2023.
See Appendix for a discussion of the Company's credit ratings, and a definition and reconciliation of Net Debt-to-Core EBITDAre, and Unencumbered NOI.

(1) Consists of CPT, ESS, EQR, MAA, and UDR (unweighted).

(2) Represents Consolidated Income Available for Debt Service to the Annual Service Charge, which is calculated in accordance with the Company's Indenture. Multifamily peer data based on company filings.

WELL-LADDERED DEBT MATURITY SCHEDULE ENHANCES FLEXIBILITY

Weighted Average Debt Maturity

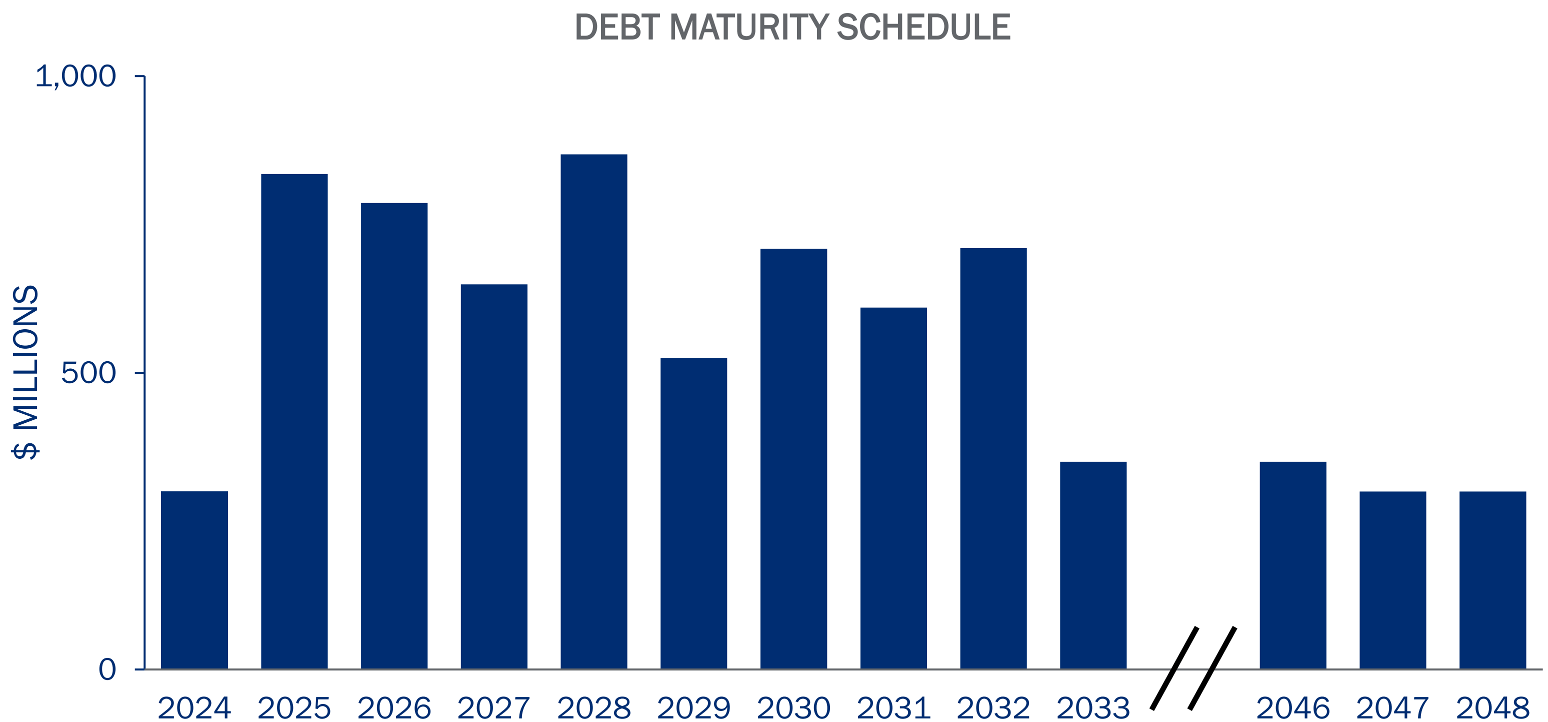
7.5 years
AVB

6.9 years
MULTIFAMILY PEERS(1)

Net Refinancing Needs Through 2024 % of Total Enterprise Value(2)

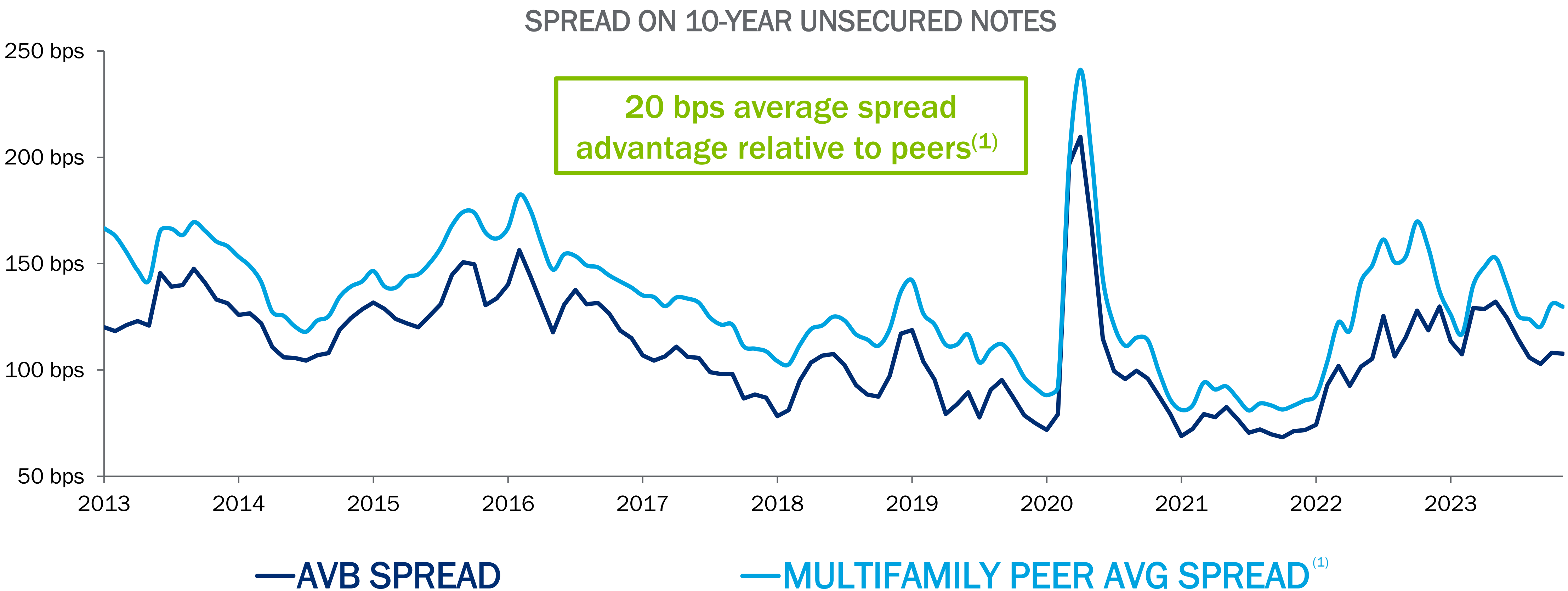
0.7%
AVB

3.2%
MULTIFAMILY PEERS(1)



Source: Internal company reports, company filings.
Data as of September 30, 2023.
(1) Consists of CPT, ESS, EQR, MAA, and UDR (unweighted).
(2) Includes debt maturities, and outstanding revolving credit facility and commercial paper program balances, net of cash. See Appendix for a definition and reconciliation of Total Enterprise Value.

SUSTAINED COST OF DEBT CAPITAL ADVANTAGE



Source: Bloomberg.
(1) Consists of CPT, ESS, EQR, MAA, and UDR (unweighted).

CAPITAL MANAGEMENT & ESG

INTEGRATED CAPITAL MANAGEMENT

Optimize Sourcing of Capital & Match-fund New Commitments

Mike Simel
VP Capital Markets

INTEGRATE KEY INVESTMENT & FINANCING DECISIONS

Sources

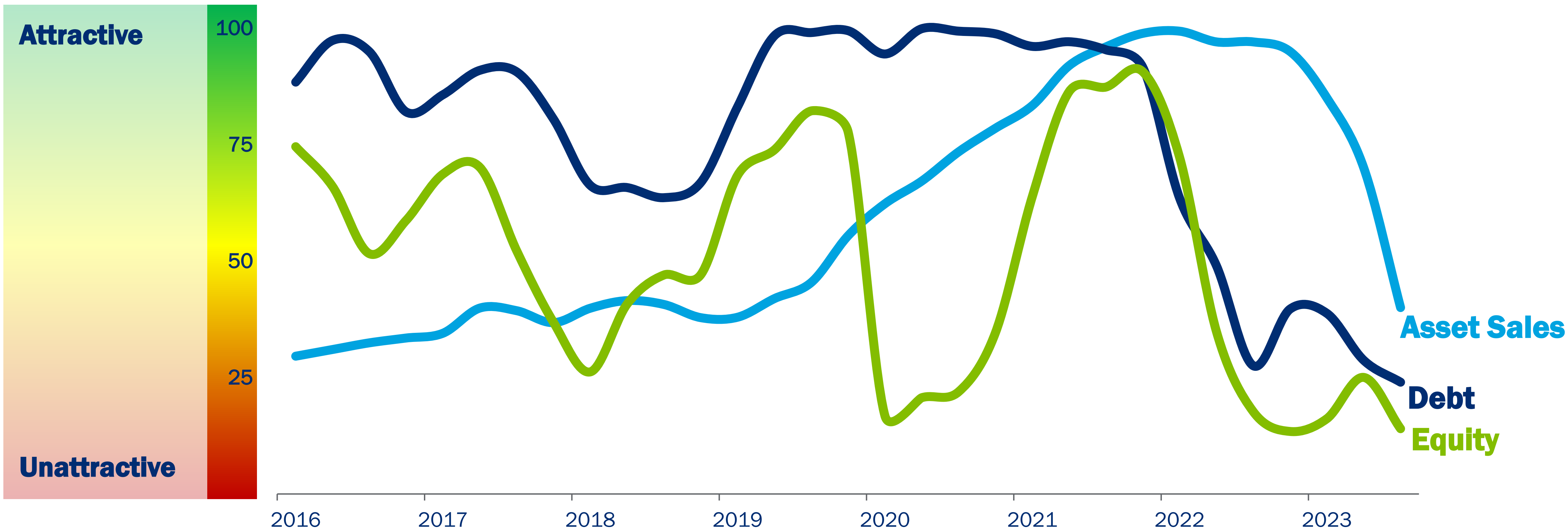
- Debt
- Equity
- Dispositions
- Retained Cash Flow

Uses

- Development
- Acquisitions
- Structured Investments
- Stock Repurchases

Source: Internal company reports.

INTEGRATED CAPITAL MANAGEMENT: ANALYTICS INFORM CAPITAL SOURCING

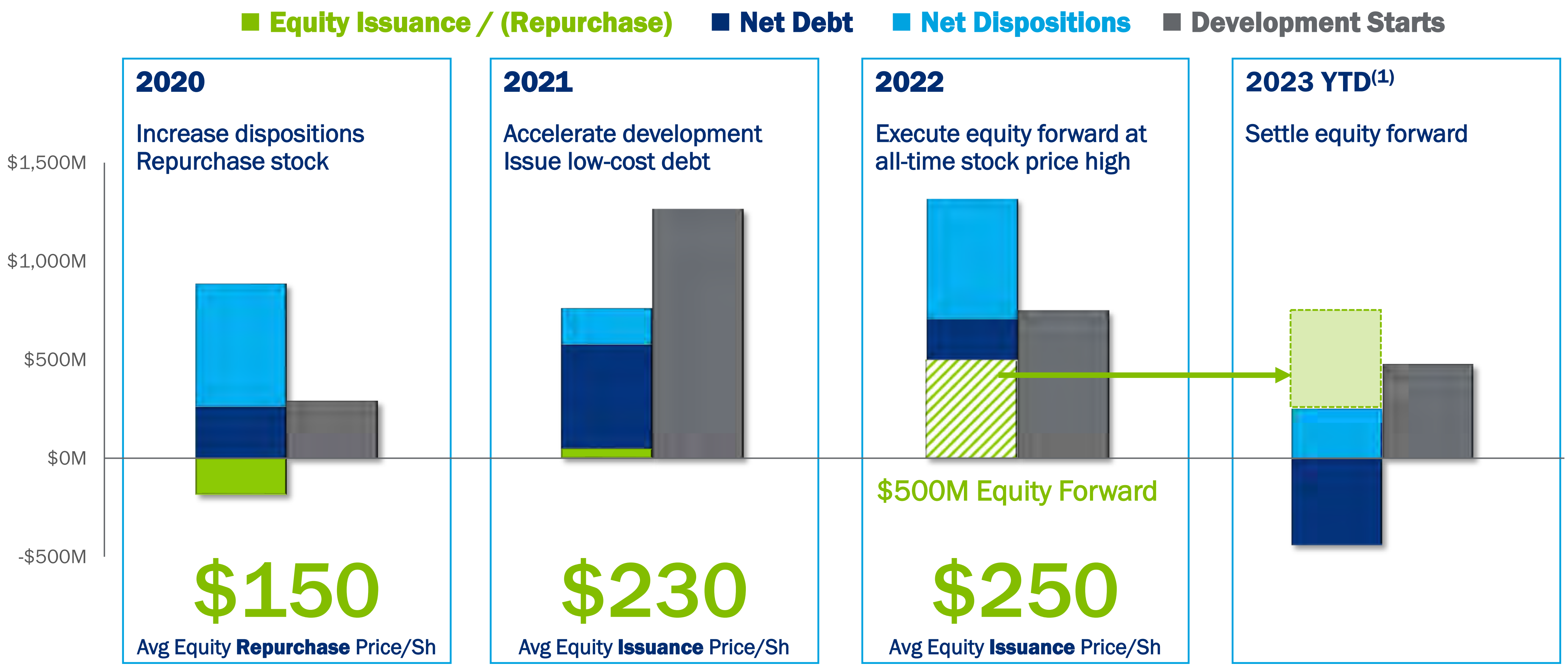


Capital Sources Heat Map[1]

Source: Internal company reports.
(1) See Appendix for an explanation of Capital Sources Heat Map.

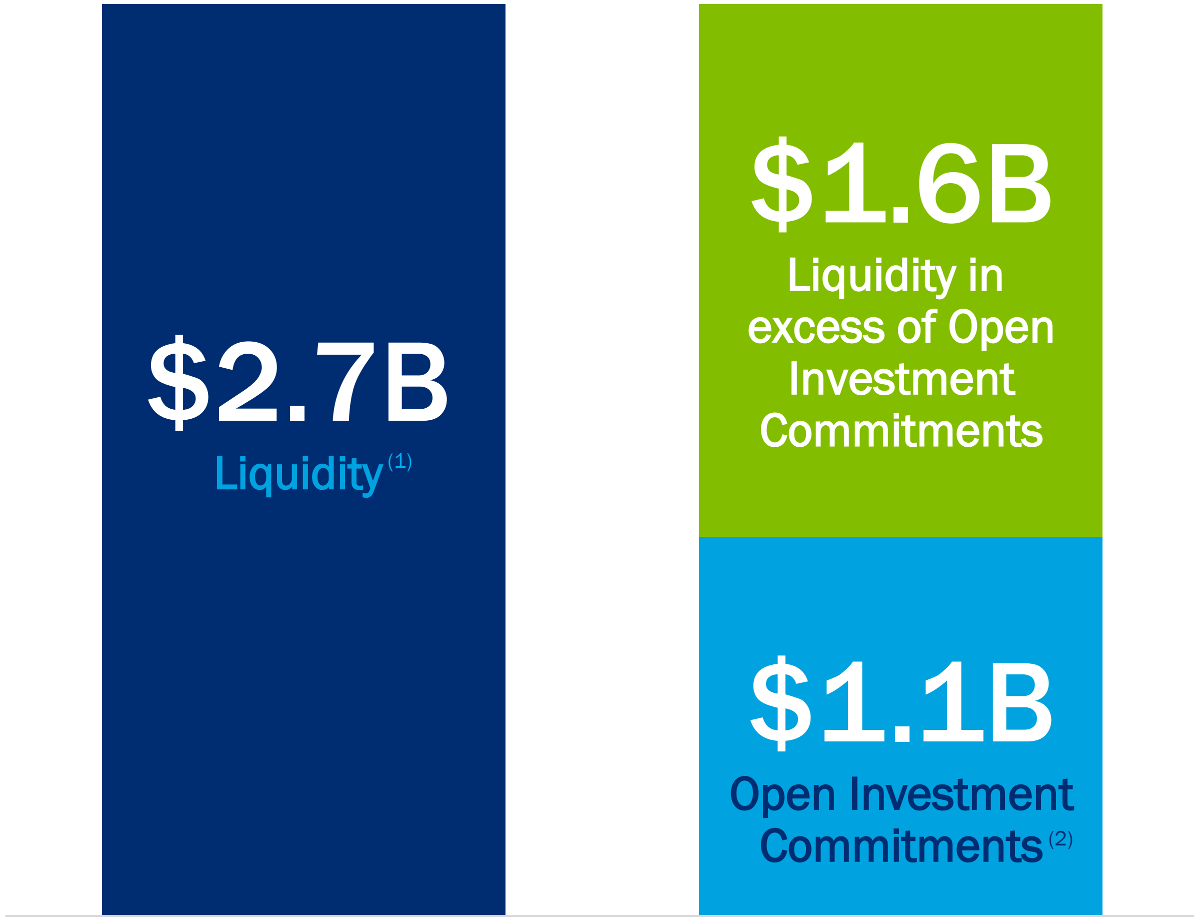
INTEGRATED CAPITAL MANAGEMENT: APPLYING IN CHANGING MARKETS

FLEXIBLE FUNDING AND INVESTMENT STRATEGY



Source: Internal company reports.
(1) Includes only capital markets, transaction, and development start activity as of September 30, 2023.

SIGNIFICANT LIQUIDITY TO EXECUTE BUSINESS PLAN



Source: Internal company reports.
Data as of September 30, 2023.
(1) Includes the Company's $2.25 billion unsecured revolving credit facility ("Credit Facility") and cash and cash equivalents, less $70 million outstanding under the Company's $500 million unsecured commercial paper program, which is backstopped by the Company's commitment to maintain available borrowing capacity under its Credit Facility in an amount equal to actual borrowings under the program.
(2) Includes Total Capital Cost, remaining to invest (see Attachment 9 in the Company's earnings supplement, dated October 25, 2023, for additional information), and unfunded Structured Investment Program commitments.

LEVERAGE-NEUTRAL INVESTMENT CAPACITY

Retained Cash Flow(1)		$ 450M
Net Disposition Proceeds(2)		500M
Leverage-Neutral Debt Capacity(3)	+	250M
Illustrative Annual Self-Funding Investment Capacity		**$ 1,200M**

Source: Internal company reports.
Data as of September 30, 2023. All amounts are rounded.
(1) Represents Q3 2023 cash from operations available for investment, annualized (see Appendix for a definition and reconciliation of Q3 2023 cash from operations available for investment, annualized).
(2) Illustrative based on annual gains capacity before incurring excise taxes.
(3) Represents Management's estimate of the amount of additional debt that the Company could add each year above prior year levels while not increasing Net Debt-to-Core EBITDAre, after taking into account additional EBITDAre that resulted from additional investment activity and growth.

GROWTH-ORIENTED BALANCE SHEET

Debt capacity provides flexibility

Annualized Core EBITDAre	$ 1,750M
Net Debt	7,250M
Net Debt-to-Core EBITDAre	4.1x

Illustrative additional debt capacity at higher leverage

4.5x	5.0x	5.5x	6.0x
$ 625M	$1,500M	$ 2,375M	$ 3,250M

Source: Internal company reports.
Data as of September 30, 2023. All amounts are rounded.
See Appendix for a definition and reconciliation of Core EBITDAre and Net Debt-to-Core EBITDAre.

CAPITAL MANAGEMENT & ESG

ESG LEADERSHIP

Well Positioned to Support Value Creation

Katie Rothenberg
VP ESG

BUILDING A SECTOR-LEADING ESG PLATFORM THAT CONTINUES TO EVOLVE

AvalonBay COMMUNITIES

2011
1st ESG Report

2015
Philanthropy Program Launched

2019
Set Science-Based Emissions Targets

2020
Set Diversity in Leadership Vision

2021
Green Bonds

2022
Sustainability Line of Credit

Source: Internal company reports.

ADDING VALUE THROUGH ESG PRIORITIES

AvalonBay COMMUNITIES

Community Impact

- Jurisdictional Reputation
- Community Involvement
- Associate Engagement

Inclusion & Diversity

- Associate/Resident Alignment
- Innovation & Creativity
- Attracting & Retaining Top Talent

Environmental Sustainability

- Operating Cost Savings
- Alignment with Rapidly Changing Codes
- Manage Physical Climate Risk
- Reduce Resident Utility Costs

CAPITAL MANAGEMENT & ESG

KEY TAKEAWAYS

DIFFERENTIATED FINANCIAL STRATEGY

- Disciplined, data-driven approach
- Emphasis on match-funding
- De-risk and lock-in projected development profit

A PREEMINENT REIT BALANCE SHEET

- Boosted by growth from development and operations
- Cost of debt consistently among the lowest in REIT industry

EXTERNAL GROWTH FUELED BY LEVERAGE-NEUTRAL INVESTMENT CAPACITY

- Typically >$1 Billion per year from retained cash flow, asset sales, and incremental debt supported by growth

ESG LEADERSHIP

- Aligns priorities with our core values
- Supports enhanced growth
- Increases resiliency

Source: Internal company reports.

AvalonBay COMMUNITIES

CONCLUSIONS

Benjamin Schall
CEO & President

EVOLVING TO CONTINUE TO LEAD

OPERATING MODEL TRANSFORMATION

Enhanced experiences for customers

Meaningful operational efficiencies

Horizon 1 & 2 projected NOI benefits

DEVELOPMENT GROWTH ENGINE

Unique driver of earnings and value creation

Near-term uplift from projects in lease-up

New sources of growth with DFP and SIP

PORTFOLIO OPTIMIZATION

Well positioned for future trends

Expansion region opportunities

Accretive investment in portfolio

GROWTH-ORIENTED BALANCE SHEET

Stability and flexibility

Positioned for growth and future opportunities

OUTSTANDING TEAM & CULTURE TO SUCCEED

2024 SAME STORE GROWTH DRIVERS

AvalonBay COMMUNITIES

RESIDENTIAL RENTAL REVENUE

EXPECTING AVERAGE YEAR

1.5% — **Embedded Gross Potential**
Earn-In

2.0% — **Loss-to-lease**

+10% — **Increase in other rental revenue**

Declining Uncollectible lease revenue
Bad Debt

OPERATING EXPENSES

EXPECTING ABOVE AVERAGE YEAR

EXPECTATIONS RELATIVE TO 2023 PROJECTED GROWTH RATES

- ↓ **Utilities, Office Operations, Marketing**
  (≈25% of 2023 OpEx)
- ↔ **Property Taxes, Repairs & Maintenance, Insurance**
  (≈55% of 2023 OpEx)
- ↑ **Payroll**
  (≈20% of 2023 OpEx)

Source: Internal company reports.
Data as of September 30, 2023 (Loss-to-lease as of October 31, 2023).
See Appendix for a definition of Gross Potential, Loss-to-lease, and Uncollectible lease revenue

2024 PROJECTED CORE FFO PER SHARE GROWTH DRIVERS

AvalonBay COMMUNITIES

TAILWINDS

NOI growth from stabilized portfolio

NOI from new Development
≈3,000 new Development deliveries, 2.1x 2023

Increasing earnings from funded SIP commitments

HEADWINDS

Prior and projected net disposition activity

Higher interest expense
From anticipated 2024 financing activity

Decline in interest income
From above average cash balance in 2023

Source: Internal company reports.

STRATEGIC FOCUS AREAS DELIVERING SUPERIOR GROWTH FOR YEARS AHEAD

AvalonBay COMMUNITIES

Growth Opportunities Above Base Business[1]

Annual Incremental Core FFO Share Per Growth

DEVELOPMENT GROWTH ENGINE		OPERATING MODEL TRANSFORMATION PORTFOLIO OPTIMIZATION & INVESTMENT IN EXISITING PORTFOLIO STRUCTURED INVESTMENT PROGRAM		OPPORTUNITY SET ABOVE BASE BUSINESS[1]
150-200 Projected BPS	+	**75-125** Projected BPS	=	**225-325** Projected BPS

Source: Management estimates.
Data as of September 30, 2023. Incremental Core FFO per Share estimates are net of projected funding costs.
(1) In this instance, growth from the Company's 'base business' represents annual Core FFO per share growth derived from the Company's underlying stabilized operating performance, other recurring income and expense, and net interest expense.

EVOLVING TO DELIVER SUPERIOR GROWTH

KEY TAKEAWAYS

FOUNDATIONAL STRENGTHS SUPPORTING CONTINUED INDUSTRY LEADERSHIP

EVOLVING TO OPTIMIZE FUTURE GROWTH

EXECUTING ON STRATEGIC FOCUS AREAS TO DELIVER SUPERIOR GROWTH FOR THE YEARS AHEAD

- Operating Model Transformation
- Portfolio Optimization
- Development Growth Engine
- Growth-oriented Balance Sheet

COMMITMENT TO ACTIVE STAKEHOLDER ENGAGEMENT

AvalonBay
COMMUNITIES

SPEAKER BIOS

EXECUTIVE OFFICERS

Ben Schall
CEO & President

Ben is the Company’s Chief Executive Officer and President and has been a director of the Company since January 2021.

Ben was previously AvalonBay's President, joining the Company in January 2021, and prior to that the Chief Executive Officer and President and a trustee of Seritage Growth Properties, a publicly traded real estate investment trust principally engaged in owning, developing, and managing a diversified portfolio of retail and mixed-use properties throughout the United States. Before becoming CEO and President of Seritage in May 2015, Ben served as Chief Operating Officer of Rouse Properties, Inc. from 2012 to 2015. Rouse was a publicly traded REIT (since acquired) that owned and managed regional malls and retail centers in 21 states. Prior to that, Ben was Senior Vice President with Vornado Realty Trust, a publicly traded REIT that owns, manages, and develops office and retail assets concentrated in New York City with additional assets in Chicago and San Francisco.

Ben received his MBA from Harvard Business School and earned his undergraduate degree from Swarthmore College. Ben is a member of the Executive Committee of NAREIT and Co-Chair of the Executive Committee of the University Settlement Group, a NYC-based non-profit organization.

Matthew Birenbaum
Chief Investment Officer

Matt has been Chief Investment Officer since 2015, with responsibility for AvalonBay’s overall investment strategy. He oversees the Investments, Development, Construction, Design, Asset Management and Market Research functions. Before assuming his current role, he was Executive Vice President—Corporate Strategy, a position he held since his return to the Company in 2011. Prior service with AvalonBay includes roles in the development group, culminating as a Regional Vice President during his first stint with the Company from 1996-2003.

Prior to rejoining AvalonBay in 2011, Matt was the founding principal of Abbey Road Property Group, LLC, a multi-family development and investment firm based in Arlington, Virginia, and before that a Senior Vice President at EYA, a local for-sale builder/developer in the Greater Washington region.

Matt received his MBA from The Kellogg Graduate School of Management at Northwestern University, where he graduated with honors, and his undergraduate degree from Brown University, where he graduated Phi Beta Kappa. He is an active member of ULI and is certified LEED AP, serves as Board Chairman of the Arlington Partnership for Affordable Housing (APAH), and is a member of the Federal City Council.

EXECUTIVE OFFICERS

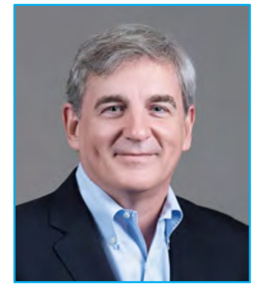
Sean Breslin

Chief Operating Officer

Sean has held the COO position since January 2015 and has responsibility for the Company's operating platform, including Property Operations, Engineering, Information and Digital Technology, Human Resources, Strategic Initiatives, and Marketing, Revenue Management and Brand Strategy. He was previously the Company's Executive Vice President—Investments and Asset Management since April 2012 with overall responsibility for AvalonBay's investment and operating platforms, including property operations, asset management and redevelopment, and investment activity, including acquisitions, dispositions, and investment strategy. Sean's other roles with the Company included Senior Vice President—Redevelopment and Asset Management and Senior Vice President—Investments.

Prior to joining AvalonBay in 2002, he was the Chief Operating Officer of CWS Capital Partners.

Sean received his MBA from the University of Texas and his undergraduate degree from California State University, Long Beach. He is a member of the Executive Committee of the National Multi-Housing Council and is past Chair of ULI's Multifamily Council. He is also a member of the Executive Committee of the Real Estate Finance & Investment Center at the University of Texas at Austin and a member of the Board of Directors of the American Red Cross.



Kevin O'Shea

Chief Financial Officer

Kevin has been AvalonBay's Chief Financial Officer since June 2014. Prior to that he was Executive Vice President—Capital Markets, from January 2013 to May 2014 and Senior Vice President—Investment Management after joining the Company in July 2003 until January 2013.

Prior to joining the Company, Kevin was an Executive Director at UBS Investment Bank, where his experience included real estate investment banking. Earlier in his career, he practiced commercial real estate and banking law as an attorney.

Kevin received his MBA from Harvard Business School, his J.D. from Southern Methodist University, and his undergraduate degree from Boston College.

Kevin is a Trustee of Urban Edge Properties, a publicly traded REIT.

OPERATING MODEL TRANSFORMATION

Lisa Bongardt
SVP Operations

Lisa oversees property operations for the Mid-Atlantic and Florida regions which include 45 communities and 17,000 apartment homes. In addition, Lisa leads key operating transformation initiatives. Prior to her current role, Lisa was a Senior Investments Director for the Company.

Before joining AvalonBay in 2005, Lisa was an asset manager for The Related Companies' market rate multifamily portfolios in New York City and San Francisco, consisting of 15 luxury high rises and 465,000 square feet of retail and office. Lisa's multifamily experience began in 1997, when she was a Portfolio Director for the Related Companies.

Lisa has a B.F.A. from New York University.

Rukevbe Esi
SVP Chief Digital Officer

Rukevbe leads AvalonBay's Digital & Data Analytics organization comprised of Software Engineering, Data Science, and Product Management. He is responsible for the development and execution of the Company's digital strategy, including leveraging technology to unlock new value streams.

Prior to AvalonBay, Rukevbe was Vice President and CTO for Capital One Auto Finance's Consumer and Refinance business. Before Capital One, he was the CIO of FedBid Inc, a $2B e-Commerce marketplace.

Rukevbe has an MBA from The Kellogg Graduate School of Management at Northwestern University, a Master's in software engineering and an undergraduate degree in computer science from George Mason University.

Rajiv Verma
SVP Revenue Management

Rajiv leads the Company's pricing and revenue management strategy, parking operations, and several operating model transformation initiatives, including digital, self-service renewals and the development of a digital inventory management platform. Since joining the company in 1998, Rajiv has held a variety of roles in different functions, including accounting, information systems, energy procurement, and utility management.

Rajiv holds an MBA from the George Washington University and earned his undergraduate degree from Bethany College.

PORTFOLIO OPTIMIZATION & DEVELOPMENT GROWTH ENGINE

AvalonBay COMMUNITIES

Emily Carmody
VP Capital Projects

Emily leads the investment activities of NOI enhancing and asset preserving capital across the portfolio. During her 14 years with the Company, Emily has also held various roles within Redevelopment and Asset Management and Financial Reporting. Prior to joining AvalonBay, Emily worked as an accountant at Bozzuto Property Management and Archstone-Smith.

Emily received her undergraduate degree in business administration focused on accounting and finance from the University of Denver, where she graduated Cum Laude and served as captain of its Division 1 gymnastics team, earning academic all-American honors.

Dave Gillespie
SVP Development

Since joining AvalonBay in 2007, Dave has led development activity on 16 communities totaling over 3,400 apartment homes and $1.2 billion in capital investment in the Company's Boston region. Dave has developed projects that range from suburban garden communities to urban high-rise buildings and has considerable experience in mixed use and mixed income construction and development. Prior to AvalonBay, Dave worked in development roles in New York and New Jersey and as a construction engineer in Boston and Washington, DC.

Dave holds an MBA from Columbia Business School and an undergraduate degree in Civil Engineering from Tufts University.

Stew Royer
VP Investments

Stew is responsible for overseeing the company's acquisition activity in the Florida and North Carolina expansion regions and co-heads AvalonBay's Structured Investment Program (SIP) and Developer Funding Program (DFP). He joined AvalonBay in 2017 and previously held positions as Senior Director and Director within the Company's Investment Group.

Stew holds an MBA from the Wharton School at the University of Pennsylvania, where he graduated with honors and was the recipient of the Jerome Friedman Memorial Fellowship in Real Estate, and an undergraduate degree from Trinity College. He is a member of the Urban Land Institute (ULI), National Multifamily Housing Council (NMHC) and the Zell/Laurie Center for Real Estate.

CAPITAL MANAGEMENT & ESG

Nika Dufour

VP Capital Projects

Nika returned to AvalonBay in 2021 as Vice President of Capital Markets where she has principal oversight over secured and unsecured debt transactions and cash management activities. Prior to that, she was Vice President of Investment Management at Passco, a real estate company with $3.4B of assets under management. Before that, Nika held various roles over 12 years with AvalonBay's Financial Services team where she helped establish and manage the Company's private equity fund, raised debt and equity capital, and worked on structured transactions, most notably the Archstone acquisition.

Nika holds a Chartered Financial Analyst designation, an MBA from Tulane University, and an undergraduate degree in Chemical Engineering, Cum Laude, from the Georgia Institute of Technology.

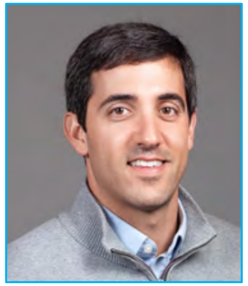
Katie Rothenberg

VP ESG

Katie is responsible for leading AvalonBay's best-in-class ESG platform and directing strategy and stakeholder engagement. Significant focus areas include environmental initiatives such as carbon reduction targets (SBTi), renewables, climate related risk management, material health and building efficiency, in addition to inclusion & diversity programs and strategic philanthropy.

Katie has been executing sustainability initiatives in the built environment for nearly 16 years.

Katie earned an MBA from The University of Denver, with a focus in Real Estate and holds an undergraduate degree in Finance from the University of Colorado, Boulder. She is a LEED Fellow and holds a Certificate in Corporate Citizenship Leadership from Boston College.



Mike Simel

VP Capital Markets

As VP of Capital Markets, Mike oversees equity capital markets activity, leads various private equity vehicles and strategies, maintains corporate banking relationships, co-leads the Company's Structured Investments Program, and heads the underwriting and transaction structuring platform.

After joining the Company in 2010, Mike had a number of finance and management responsibilities before moving to the company's capital markets platform in 2013.

Mike has an MBA from the Wharton School at the University of Pennsylvania and an undergraduate degree in Mathematics and Economics from Bates College.

AvalonBay
COMMUNITIES

APPENDIX

Definitions and Reconciliations

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

Acquisition Yield represents actual NOI for the first full 12 months after Stabilized Operations as a percentage of the gross purchase price of each community and is weighted based on the gross purchase price of each community.

Asset Preservation Capex represents capital expenditures that the Company does not expect will directly result in increased revenue or expense savings.

AVB Established Regions include markets located in New England, the New York/New Jersey Metro area, the Mid-Atlantic, the Pacific Northwest, and Northern and Southern California.

AVB Expansion Regions include markets located in Raleigh-Durham and Charlotte, North Carolina, Southeast Florida, Dallas and Austin, Texas, and Denver, Colorado.

AVB Outperformance represents the average of the following for each of the Company's communities after they have achieved Stabilized Operations for the remaining duration of the Company's ownership of that community: the historic relative outperformance or underperformance of the base rental revenue growth, including concessions, for that community versus the base rental revenue growth, including concessions, of its submarket, as reported (with respect to submarket performance) by available third-party reports. The average used for AVB Outperformance is weighted by the number of apartment homes in each community and was calculated as of, and with respect to communities owned by the Company as of, March 2020, which the Company considers the end of the last real estate cycle.

Capital Sources Heat Map provides the Company's view of the relative attractiveness of different sources of capital at rates and valuations at different points in time as compared to historical rates and valuations, presented on a scale of 0 (least desirable) to 100 (most desirable), as determined by proprietary modeling completed by the Company. Rates and valuations can change rapidly and there are a variety of factors that go into the final determination of which sources of capital to seek and how much capital to seek from each source, and the Company makes no commitment to update this presentation in the future or to seek or refrain from seeking any particular source of capital.

Commercial represents results attributable to the non-apartment components of the Company's mixed-use communities and other non-residential operations.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

AvalonBay COMMUNITIES

Credit ratings, as provided in this presentation, may not reflect the potential impact of risks relating to the structure or trading of the Company's securities and are provided solely for informational purposes. Credit ratings are not recommendations to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. The Company does not undertake any obligation to maintain the ratings or to advise of any change in ratings. Each agency's rating should be evaluated independently of any other agency's rating. An explanation of the significance of the ratings may be obtained from each of the rating agencies.

Current Acquisition Yield represents 2023 projected NOI as a percentage of the gross purchase price of each community and is weighted based on the gross purchase price of each community.

Current Allocation represents the Company's projected 2023 Net Operating Income for all communities with Stabilized Operations throughout the entire 12-month period ending December 31, 2023, and Management's expectation for Net Operating Income for the first full year of Stabilized Operations for all acquisitions and Development communities in 2023.

Development is composed of consolidated communities that are either currently under construction, or were under construction and were completed during the current year. These communities may be partially or fully complete and operating.

Dividend Growth, presented as annualized dividend growth in this presentation, represents the change in the Company's annual common dividend per share as a compound annual growth rate. Amounts prior to merger represent the sum of Avalon Properties and Bay Communities common dividend per share.

EBITDA, EBITDAre and Core EBITDAre are considered by management to be supplemental measures of our financial performance. EBITDA is defined by the Company as net income or loss computed in accordance with GAAP before interest expense, income taxes, depreciation and amortization. EBITDAre is calculated by the Company in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("Nareit"), as EBITDA plus or minus losses and gains on the disposition of depreciated property, plus impairment write-downs of depreciated property, with adjustments to reflect the Company's share of EBITDAre of unconsolidated entities. Core EBITDAre is the Company's EBITDAre as adjusted for non-core items outlined in the table below. By further adjusting for items that are not considered part of the Company's core business operations, Core EBITDAre can help one compare the core operating and financial performance of the Company between periods. A reconciliation of EBITDA, EBITDAre and Core EBITDAre to net income is presented on the following page (dollars in thousands):

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

	Q3 2023
Net income	$ 171,790
Interest expense and loss on extinguishment of debt	59,091
Income tax expense	4,372
Depreciation expense	200,982
EBITDA	$ 436,235
Casualty loss	$ 3,499
Gain on sale of communities	(22,121)
Unconsolidated entity EBITDAre adjustments (1)	2,770
EBITDAre	$ 420,383
Unconsolidated entity losses, net	827
Joint venture promote	(424)
Structured Investment Program loan reserve	539
Hedge accounting activity	65
Executive transition compensation costs	300
Severance related costs	993
Expensed transaction, development and other pursuit costs, net of recoveries	18,070
Other real estate activity	(237)
Legal settlements	14
Core EBITDAre	$ 440,530

(1) Includes joint venture interest, taxes, depreciation, gain on dispositions of depreciated real estate and impairment losses, if applicable, included in net income.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

FFO and Core FFO are generally considered by management to be appropriate supplemental measures of our operating and financial performance. FFO is calculated by the Company in accordance with the definition adopted by Nareit. FFO is calculated by the Company as Net income or loss attributable to common stockholders computed in accordance with GAAP, adjusted for gains or losses on sales of previously depreciated operating communities, cumulative effect of a change in accounting principle, impairment write-downs of depreciable real estate assets, write-downs of investments in affiliates which are driven by a decrease in the value of depreciable real estate assets held by the affiliate and depreciation of real estate assets, including adjustments for unconsolidated partnerships and joint ventures. FFO can help one compare the operating and financial performance of a real estate company between periods or as compared to different companies because adjustments such as (i) gains or losses on sales of previously depreciated property or (ii) real estate depreciation may impact comparability between companies as the amount and timing of these or similar items can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates. Core FFO is the Company's FFO as adjusted for non-core items outlined in the table below. By further adjusting for items that are not considered by us to be part of our core business operations, Core FFO can help with the comparison of core operating performance of the Company between periods. A reconciliation of Net income attributable to common stockholders to FFO and to Core FFO is presented on the following page (dollars in thousands):

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

AvalonBay COMMUNITIES

	Q3 2023
Net income attributable to common stockholders	$ 172,031
Net income attributable to common stockholders	199,546
Distributions to noncontrolling interests	-
Gain on sale of unconsolidated entities holding previously depreciated real estate	-
Gain on sale of previously depreciated real estate	(22,121)
Casualty loss on real estate	3,499
FFO attributable to common stockholders	352,955
Adjusting items:	
Unconsolidated entity losses (gains), net (1)	827
Joint venture promote (2)	(424)
Structured Investment Program loan reserve (3)	539
Loss on extinguishment of consolidated debt	150
Hedge accounting activity	65
Advocacy contributions	-
Executive transition compensation costs	300
Severance related costs	993
Expensed transaction, development and other pursuit costs, net of recoveries (4)	18,070
Other real estate activity	(237)
For-sale condominium imputed carry cost (5)	110
Legal settlements	14
Income tax expense (6)	4,372
Core FFO attributable to common stockholders	$ 377,734

(1) Amount consists primarily of net unrealized gains on technology investments.

(2) Amount is for the Company's recognition of its promoted interest in the U.S. Fund.

(3) Amount is the expected credit losses associated with the Company's lending commitments under its SIP. The timing and amount of any actual losses that will be incurred, if any, is to be determined.

(4) Amount includes the write-offs of $17,111 for three development opportunities in Northern and Southern California and the Mid-Atlantic that the Company determined are no longer probable.

(5) Represents the imputed carry cost of the for-sale residential condominiums at The Park Loggia. The Company computes this adjustment by multiplying the Total Capital Cost of completed and unsold for-sale residential condominiums by the Company's weighted average unsecured debt effective interest rate.

(6) Amounts are primarily for the recognition of taxes associated with The Park Loggia.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

Fully Loaded Margin enables investors to judge the property operating expense efficiency of the Company as compared to the identified multifamily operators, after adjusting AvalonBay's revenue and expenses to make them more comparable to other operators. A reconciliation of the Company's Fully Loaded Margin over the periods presented in this presentation is presented to the right (dollars in thousands):

	2022	2021	2020	2019	2018
Revenue					
Total revenue	$ 2,593,446	$ 2,294,850	$ 2,301,261	$ 2,324,626	$ 2,284,535
Net income	$ 1,136,438	$ 1,004,356	$ 827,706	$ 786,103	$ 974,175
Adjust:					
Expensed transaction, development and other pursuit costs, net of recoveries	16,565	3,231	12,399	4,991	3,265
Interest expense, net	230,074	220,415	214,151	203,585	220,974
Loss on extinguishment of debt, net	1,646	17,787	9,333	602	17,492
Income from investments in unconsolidated entities	(53,394)	(38,585)	(6,422)	(8,652)	(15,270)
Depreciation expense	814,978	758,596	707,331	661,578	631,196
Income tax expense (benefit)	14,646	5,733	(3,247)	13,003	(160)
Gain on sale of communities and other real estate transactions	(560,685)	(603,355)	(343,435)	(162,732)	(374,277)
Operating expenses	1,600,268	1,368,178	1,417,816	1,498,478	1,457,395
Operating Margin	61.7%	59.6%	61.6%	64.5%	63.8%
Revenue					
Total revenue	$ 2,593,446	$ 2,294,850	$ 2,301,261	$ 2,324,626	$ 2,284,535
Adjust net resident reimbursements	60,921	56,586	52,820	54,010	51,272
Adjusted total revenue	2,654,367	2,351,436	2,354,081	2,378,636	2,335,807
Net income	1,136,438	1,004,356	827,706	786,103	974,175
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Gain on sale of communities and other real estate transactions	(560,685)	(603,355)	(343,435)	(162,732)	(374,277)
CEO transition costs	12,370	8,731	-	-	-
Building improvement capitalized expenses	(38,060)	(35,353)	(29,305)	(43,530)	(14,579)
Replacements capitalized expenses	(112,174)	(100,642)	(77,164)	(89,285)	(69,028)
Adjusted operating expenses	1,462,404	1,240,914	1,311,347	1,365,663	1,373,788
Fully Loaded Margin	55.1%	52.8%	55.7%	57.4%	58.8%

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

Gross Potential is defined as total possible Residential revenue less Vacancy Loss as a percentage of total possible Residential revenue.

Incremental NOI represents additional NOI that was not achieved in the prior period before the implementation of the initiatives and that is attributable, in future periods, to the implementation of the initiatives. When referenced in relation to the total benefits of the Company's Horizon 1 and Horizon 2 opportunities, as described in this presentation, the benefits from the Horizon 1 opportunities began to be achieved in 2022 and are expected to be 50% achieved by year end 2023, while the Company expects to begin to achieve the Horizon 2 benefits in 2024. The benefit of Horizon 1 and Horizon 2 Incremental NOI on a full year basis is expected to occur by year end 2028.

Initial Stabilized Yield represents NOI as a percentage of Total Capital Cost for the first 12 months after Stabilized Operations and is weighted based on the Total Capital Cost of each community.

Loss-to-lease represents the percentage difference between the average Market Rent and average Gross Potential rent for the prior four-week period, before considering the impact of regulatory constraints (e.g., rent regulation, rent control, other) that limit rent increases in certain regions.

Market Cap Rate is defined by the Company as Projected NOI of a single community for the first 12 months of operations (assuming no repositioning), less estimates for non-routine allowance of approximately $300 - $500 per apartment home, divided by the gross sales price for the community. Projected NOI, as referred to above, represents management's estimate of projected rental revenue minus projected operating expenses before interest, income taxes (if any), depreciation and amortization. For this purpose, management's projection of operating expenses for the community includes a management fee of 2.25%. The Market Cap Rate, which may be determined in a different manner by others, is a measure frequently used in the real estate industry when determining the appropriate purchase price for a property or estimating the value for a property. Buyers may assign different Market Cap Rates to different communities when determining the appropriate value because they (i) may project different rates of change in operating expenses and capital expenditure estimates and (ii) may project different rates of change in future rental revenue due to different estimates for changes in rent and occupancy levels. The weighted average Market Cap Rate is weighted based on the gross sales price of each community.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

AvalonBay
COMMUNITIES

Market Rents as reported by the Company are based on the current market rates set by the Company based on its experience in renting apartments and publicly available market data. Market Rents for a period are based on the average Market Rents during that period and do not reflect any impact for cash concessions.

Net Debt-to-Core EBITDAre is calculated by the Company as total debt (secured and unsecured notes, and the Company's Credit Facility and commercial paper program) that is consolidated for financial reporting purposes, less consolidated cash and restricted cash, divided by annualized third quarter 2023 Core EBITDAre. A calculation of Net Debt-to-Core EBITDAre is presented below (dollars in thousands):

Total debt principal (1)	$ 8,002,301
Cash and cash equivalents and cash in escrow	(742,579)
Net debt	$ 7,259,722
Core EBITDAre	$ 440,530
Core EBITDAre, annualized	1,762,120
Net Debt-to-Core EBITDAre	4.1x

1) Balance at September 30, 2023 excludes $42,207 of debt discount and deferred financing costs as reflected in unsecured notes, net, and $13,089 of debt discount and deferred financing costs as reflected in notes payable, net, on the Condensed Consolidated Balance Sheets.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

NOI is defined by the Company as total property revenue less direct property operating expenses (including property taxes), and excluding corporate-level income (including management, development and other fees), corporate-level property management and other indirect operating expenses, expensed transaction, development and other pursuit costs, net of recoveries, interest expense, net, loss on extinguishment of debt, net, general and administrative expense, income from unconsolidated investments, depreciation expense, income tax expense (benefit), casualty loss, gain on sale of communities, other real estate activity and net operating income from real estate assets sold or held for sale. The Company considers NOI to be an important and appropriate supplemental performance measure to net income of operating performance of a community or communities because it helps both investors and management to understand the core operations of a community or communities prior to the allocation of any corporate-level property management overhead or financing-related costs. NOI reflects the operating performance of a community, and allows for an easier comparison of the operating performance of individual assets or groups of assets. In addition, because prospective buyers of real estate have different financing and overhead structures, with varying marginal impact to overhead as a result of acquiring real estate, NOI is considered by many in the real estate industry to be a useful measure for determining the value of a real estate asset or groups of assets.

Residential NOI represents results attributable to the Company's apartment rental operations, including parking and other ancillary Residential revenue. A reconciliation of Residential NOI to net income, as well as a breakdown of Residential NOI by operating segment, is presented on the following page (dollars in thousands):

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

	YTD 2023
Net income	$ 686,372
Property management and other indirect operating expenses, net of corporate income	90,177
Expensed transaction, development and other pursuit costs, net of recoveries	23,212
Interest expense, net	156,521
Loss on extinguishment of debt, net	150
General and administrative expense	58,542
Income from unconsolidated investments	(11,745)
Depreciation expense	606,271
Income tax expense (benefit)	7,715
Casualty loss	8,550
(Gain) loss on sale of communities	(209,430)
Other real estate activity	(707)
NOI from real estate assets sold or held for sale	(14,212)
NOI	1,401,416
Commercial NOI	(25,192)
Residential NOI	$ 1,376,224

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

NOI Enhancing Capex represents capital expenditures that the Company expects will directly result in increased revenue or expense savings, and excludes any capital expenditures for redevelopment.

Other Sunbelt Regions include Albuquerque, Atlanta, Birmingham, Charleston, Greensboro, Houston, Jacksonville, Knoxville, Little Rock, Louisville, Memphis, Nashville, New Orleans, Oklahoma City, Orlando, Phoenix, Richmond, San Antonio, Savannah, Tampa, Tucson, Tulsa, Virginia Beach, and Winston-Salem

Projected Core FFO, as referred to in this presentation, is calculated on a basis consistent with historical Core FFO and is therefore considered to be an appropriate supplemental measure to projected net income from projected operating performance.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

Projected NOI, as used within this presentation for certain Development communities and in calculating the Development Completion Market Cap Rate, represents management's estimate, as of the date of this presentation (or as of the date of the Development completion), of projected stabilized rental revenue minus projected stabilized operating expenses. For Development communities, Projected NOI is calculated based on the first twelve months after Stabilized Operations following the completion of construction. In calculating the Development Completion Market Cap Rate, Projected NOI is calculated for the first twelve months following the date of the buyer's valuation. Projected stabilized rental revenue represents management's estimate of projected gross potential minus projected stabilized economic vacancy and adjusted for projected stabilized concessions plus projected stabilized other rental revenue. Projected stabilized operating expenses do not include interest, income taxes (if any), depreciation or amortization, or any allocation of corporate-level property management overhead or general and administrative costs. In addition, projected stabilized operating expenses for Development communities do not include property management fee expense. Projected gross potential for Development communities and dispositions is generally based on leased rents for occupied homes and management's best estimate of rental levels for homes which are currently unleased, as well as those homes which will become available for lease during the twelve-month forward period used to develop Projected NOI. The weighted average Projected NOI as a percentage of Total Capital Cost is weighted based on the Company's share of the Total Capital Cost of each community, based on its percentage ownership.

Management believes that Projected NOI of the Development communities, on an aggregated weighted average basis, assists investors in understanding management's estimate of the likely impact on operations of the Development communities when the assets are complete and achieve stabilized occupancy (before allocation of any corporate-level property management overhead, general and administrative costs or interest expense). However, in this presentation the Company has not given a projection of NOI on a company-wide basis. Given the different dates and fiscal years for which NOI is projected for these communities, the projected allocation of corporate-level property management overhead, general and administrative costs and interest expense to communities under development is complex, impractical to develop, and may not be meaningful. Projected NOI of these communities is not a projection of the Company's overall financial performance or cash flow. There can be no assurance that the communities under development will achieve the Projected NOI as described in this presentation.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

AvalonBay COMMUNITIES

Q3 2023 cash from operations available for investment, annualized is the Company's third quarter 2023 Core FFO, less (i) third quarter 2023 dividends declared – common and (ii) third quarter 2023 Asset Preservation Capex, annualized. Q3 2023 cash from operations available for investment, annualized does not represent the Company's Net cash provided by operating activities as presented in the Company's consolidated financial statements. A reconciliation of Q3 2023 cash from operations available for investment, annualized to Core FFO is presented below (dollars in thousands):

	Q3 2023
Core FFO attributable to common stockholders	$ 377,734
Dividends declared - common	(234,777)
Established and Other Stabilized Asset Preservation Capex	(31,255)
Q3 2023 cash from operations available for investment	$ 111,702
Q3 2023 cash from operations available for investment, annualized	$ 446,808

Redevelopment is composed of consolidated communities where substantial redevelopment is in progress or is probable to begin during the current year. Redevelopment is considered substantial when (i) capital invested during the reconstruction effort is expected to exceed the lesser of $5,000,000 or 10% of the community's pre-redevelopment basis and (ii) physical occupancy is below or is expected to be below 90% during or as a result of the redevelopment activity.

Residential represents results attributable to the Company's apartment rental operations, including parking and other ancillary Residential revenue.

Same Store is composed of consolidated communities 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.

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

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

Suburban Submarkets (or community locations) are defined as having less than 3,500 households per square mile.

Sunbelt Regions include Alabama, Arizona, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, New Mexico, Nevada, South Carolina, Tennessee, and Texas.

Target Allocation represents the Company's future target allocation based on the Company's Current Allocation.

Total Capital Cost includes all capitalized costs projected to be or actually incurred to develop the respective Development or Redevelopment 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 and a contingency estimate, offset by proceeds from the sale of any associated land or improvements, all as determined in accordance with GAAP. Total Capital Cost also includes costs incurred related to first generation commercial tenants, such as tenant improvements and leasing commissions. For Redevelopment communities, Total Capital Cost excludes costs incurred prior to the start of redevelopment when indicated. With respect to communities where development or redevelopment was completed in a prior period or the current period, Total Capital Cost reflects the actual cost incurred, plus any contingency estimate made by management. Total Capital Cost for communities identified as having joint venture ownership, either during construction or upon construction completion, represents the total projected joint venture contribution amount. For joint ventures not in construction, Total Capital Cost is equal to gross real estate cost.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

Total Enterprise Value represents the aggregate of the market value of a company's common stock, the market value of a company's operating partnership units outstanding (based on the market value of a company's common stock), and the outstanding principal balance of a company's debt. A calculation of the Company's Total Enterprise Value is presented to the right (dollars in thousands):

	AS OF NOVEMBER 17, 2023
Common stock	$ 24,006,046
Operating partnership units	1,268
Total debt	8,039,890
Total Enterprise Value	$ 32,047,204

Total Shareholder Return, presented as cumulative total shareholder return and annualized total shareholder return in this presentation, represents the change in value with all dividends reinvested. Annualized total shareholder return is presented as the compound annual growth rate.

Uncollectible lease revenue represents the percentage of rent and other revenue items not paid by residents and excludes the impact of rent relief recognized by the Company.

Unencumbered NOI as calculated by the Company represents NOI generated by real estate assets unencumbered by outstanding secured notes payable as of September 30, 2023 as a percentage of total NOI generated by real estate assets. The Company believes that current and prospective unsecured creditors of the Company view Unencumbered NOI as one indication of the borrowing capacity of the Company. Therefore, when reviewed together with the other information presented in this presentation, the Company believes that investors and creditors view Unencumbered NOI as a useful supplemental measure for determining the financial flexibility of an entity. A calculation of Unencumbered NOI for the nine months ended September 30, 2023 is presented to the right (dollars in thousands):

	YTD 2023 NOI
Total Residential NOI	$ 1,376,224
Commercial NOI	25,192
NOI from real estate assets sold or held for sale	14,212
Total NOI generated by real estate assets	1,415,628
Less NOI on encumbered assets	(66,572)
NOI on unencumbered assets	$ 1,349,056
Unencumbered NOI	95%

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

Unlevered IRR refers to the internal rate of return calculated by the Company considering the timing and amounts of (i) total revenue during the period owned by the Company and (ii) the gross sales price net of selling costs (if applicable), offset by (iii) the undepreciated cost (if applicable), and (iv) total direct operating expenses during the period owned by the Company. Each of the items (i), (ii), (iii) and (iv) is calculated in accordance with GAAP.

Urban Submarkets (or community locations) are defined as having 3,500 households or more per square mile.

Vacancy Loss is determined by valuing vacant units at current Market Rents.

Value Creation represents the first 12 months of NOI following achievement of Stabilized Operations for Development communities divided by Management's estimate of the Development Completion Market Cap Rate, at the time of completion, for each Development community, less the Total Capital Cost of each community.

Yield Expansion represents Current Acquisition Yield less Acquisition Yield.