

## AvalonBay Communities, Inc.

For Immediate News Release  
April 25, 2000

### AVALONBAY COMMUNITIES, INC. ANNOUNCES FIRST QUARTER 2000 OPERATING RESULTS

(Alexandria, VA) AvalonBay Communities, Inc. (NYSE/PCX Symbol: AVB) reported today that Funds from Operations ("FFO") for the quarter ended March 31, 2000 was \$58,614,000 or \$.87 per share (diluted) compared to \$48,896,000 or \$.75 per share (diluted) as previously reported for the comparable period of 1999, a per share increase of approximately 16.0%.

The Company will hold a conference call on April 26, 2000 at 10:00 AM Eastern Time (EST) to review these results. The domestic number to call to participate is 1-800-952-4707. The international number to call to participate is 1-703-871-3077. The domestic number to hear a replay of this call is 1-888-266-2086, and the international number to hear a replay of this call is 1-703-925-2435 - Access Code: 3715370.

#### Operating Results for the Quarter Ended March 31, 2000 Compared to the Prior Year Period

Total revenue increased by \$16,142,000, or 13.6% to \$135,088,000, and earnings before interest, income taxes, depreciation and amortization ("EBITDA") increased by \$14,272,000 or 19.4% to \$87,728,000. The overall increase in revenue and EBITDA is primarily attributable to newly developed and redeveloped communities as well as operating improvements related to Established Communities. Net income available to common stockholders was \$37,227,000 or \$.55 per share (diluted) compared to \$4,955,000 or \$.08 per share (diluted) for the prior year period.

---

#### Established Communities Operating Results 1Q 00 Compared to 1Q 99

	Rental Revenue	Operating Expenses	NOI
No. California	6.8%	(1.3%)	9.6%
So. California	7.9%	(2.0%)	12.8%
Northeast	5.9%	1.1%	7.9%
Mid-Atlantic	6.2%	1.8%	7.8%
Midwest	4.7%	2.9%	5.8%
Pacific Northwest	37.9%	10.9%	52.4%

---

For Established Communities, rental revenue increased 6.6%, comprised of rental rate growth of 5.2% and an increase in economic occupancy of 1.4%. Total revenue increased \$4,678,000 to \$75,277,000. Operating expenses increased \$112,000, or 0.6%. Accordingly, net operating income increased by \$4,564,000 or 9.1%.

#### Development and Redevelopment Activity

During the first quarter, three new development communities were completed, Avalon Corners (Stamford, CT), Avalon Fox Mill (Herndon, VA) and Avalon Court North (Melville, NY). On an aggregate basis, these communities contain 700 apartment homes for a total investment of approximately \$92.4 million. The Company expects the first full quarter of stabilized occupancy for these communities to be the second quarter of 2000. No assurance can be given that the expected dates of stabilization will be achieved.

In addition, the redevelopment of two new communities, Avalon at Cortez Hill (San Diego, CA) and Lakeside (Burbank, CA) commenced during the first quarter of 2000. These two communities contain an aggregate of 1,042 apartment homes and have a projected total investment of approximately \$109.1 million.

#### Disposition Activity

During the first quarter, the Company sold one existing community. The net proceeds from the sale of this community, which contains a total of 360 apartment homes, were approximately \$29.3 million. The proceeds from the sale will be re-deployed to communities currently under construction or reconstruction.

#### About AvalonBay Communities, Inc.

AvalonBay, named the NAHB Development Company of the year for 1998/1999 and the Property Management Company of the Year for 1996/1997, currently owns or holds an ownership interest in 133 apartment communities containing 38,821 apartment homes in twelve states and the District of Columbia, of which nine communities are under construction and six communities are under reconstruction. AvalonBay is an equity REIT in the business of developing, redeveloping, acquiring and managing multifamily

apartment communities in high barrier-to-entry markets of the United States. More information on AvalonBay may be found on AvalonBay's Web Site at <http://www.avalonbay.com>. For additional information, please contact Richard L. Michaux, President and Chief Executive Officer at (703) 317-4602 or Thomas J. Sargeant, Executive Vice President and Chief Financial Officer at (703) 317-4635.

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements contained in this release are statements that are subject to certain risks and uncertainties, including, but not limited to, possible changes in demand for apartment homes, the effects of economic conditions, the impact of competition and competitive pricing, changes in construction costs, the results of financing efforts, potential acquisitions under agreement, the effects of the Company's accounting policies and other matters detailed in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999 under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements". Management generally considers Funds from Operations ("FFO") to be an appropriate measure of the operating performance of the Company because it provides investors an understanding of the ability of the Company to incur and service debt and to make capital expenditures. FFO is determined based on a definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts which may differ from the methodology for computing FFO used by other REITs, and, accordingly, the Company's calculation of FFO may not be comparable to such other REITs.

#### **Revised Definition of FFO**

In the first quarter of 1999, the Company's previously reported FFO excluded a nonrecurring restructuring charge of \$16,524 in conformance with the NAREIT definition of FFO calculations then in place ("Former Definition"). The Company has adopted NAREIT's new FFO calculation, pursuant to NAREIT's White Paper dated October 1999, which modifies the FFO calculation to include certain nonrecurring charges ("Current Definition"). Both FFO calculations are presented on the attached financial statements. Restating 1999 results using the Current Definition, the comparison of FFO per share would be \$0.87 for first quarter 2000 versus \$0.50 per share for first quarter 1999, a per share increase of 74.0%. The Company believes the comparison of FFO using the Former Definition represents the best guide to investors of comparable operations and growth between years.

#### **Earnings Release Attachments**

The Company produces Earnings Release Attachments ("the Attachments") that provide detailed information regarding operating, development, redevelopment, disposition and acquisition activity. These Attachments will not be included in the fax distribution, but the Attachments are available via the Company's web site and through e-mail distribution. To access the Attachments through the Company's web site at <http://www.avalonbay.com>, select "Press Releases" under "Investors Corner." If you would like to receive future press releases via e-mail, please register through the Company's web site at <http://www.avalonbay.com/website/PressRegistration.nsf>. Some items referenced in the earnings release may require the Adobe Acrobat 4.0 Reader. If you do not have the Adobe Acrobat 4.0 Reader, you may download it now at the following website address: <http://www.adobe.com/products/acrobat/readstep.html>.

---

# AvalonBay

---

COMMUNITIES, INC.

## FIRST QUARTER 2000

Supplemental Operating and Financial Data



*Avalon Corners*

*With elegant surroundings and the finest service, Avalon Corners brings our residents the lifestyle they desire and the comfort and convenience they demand. At Avalon Corners our residents have more time to enjoy the things they really love to do by taking advantage of our incredible amenities. Swim a few laps in our beautiful pool or workout in the fully equipped fitness center. Enjoy a little competition in the billiard room or simply relax in the elegant clubroom. Each home has been designed for ultimate comfort. Our residents love the gourmet kitchens, spacious closets, ceramic tile baths, private balconies, and the convenience of a full-size washer and dryer. Convenience and upscale living make Avalon Corners a wonderful place to call "home."*

---

# FIRST QUARTER 2000

## Supplemental Operating and Financial Data

### Table of Contents

#### **Company Profile**

Attachment 1	Selected Operating and Other Information
Attachment 2	Detailed Operating Information
Attachment 3	Condensed Consolidated Balance Sheets

#### **Sub-Market Profile**

Attachment 4	QTD Revenue and Occupancy Changes (Established Communities)
--------------	---

#### **Development, Redevelopment, Acquisition and Disposition Profile**

Attachment 5	Summary of Development, Redevelopment and Acquisition Activity
Attachment 6	Development Communities
Attachment 7	Redevelopment Communities
Attachment 8	Historical Development and Redevelopment Communities Yield Analysis
Attachment 9	Summary of Development and Redevelopment Community Activity
Attachment 10	Future Development and Presale Commitments
Attachment 11	Summary of Disposition Activity

---

**Attachment 1**

**AvalonBay Communities, Inc.**  
**Selected Operating and Other Information**  
**March 31, 2000**

(Dollars in thousands except per share data)  
(unaudited)

	Quarter to date		
	2000	1999	% Change
<b>Selected Operating Information:</b>			
Funds from Operations - Current Definition <sup>(1)</sup> :	\$ 58,614	\$ 32,372	81.1%
Per common share - basic	\$ 0.88	\$ 0.50	76.0%
Per common share - diluted	\$ 0.87	\$ 0.50	74.0%
Funds from Operations - Former Definition <sup>(2)</sup> :	\$ 58,614	\$ 48,896	19.9%
Per common share - basic	\$ 0.88	\$ 0.75	17.3%
Per common share - diluted	\$ 0.87	\$ 0.75	16.0%
Net income available to common stockholders:	\$ 37,227	\$ 4,955	651.3%
Per common share - basic	\$ 0.56	\$ 0.08	600.0%
Per common share - diluted	\$ 0.55	\$ 0.08	587.5%
Dividends declared - common:	\$ 36,942	\$ 32,695	13.0%
Per common share	\$ 0.56	\$ 0.51	9.8%
Total EBITDA	\$ 87,728	\$ 73,456	19.4%
Common shares outstanding	65,968,309	64,107,629	
Outstanding units	966,822	876,546	
Total outstanding shares and units	66,935,131	64,984,175	
Average shares outstanding - basic	66,688,478	64,863,179	
Effect of dilutive securities	489,010	350,441	
Average shares outstanding - diluted	67,177,488	65,213,620	

(1) FFO is calculated based on NAREIT's October 1999 White Paper on FFO. Non-recurring charges of \$16,524 in Q199 were previously excluded.

(2) As previously reported for the quarter ended March 31, 1999.

**Debt Composition and Maturities**

	Conventional		Tax-Exempt	
	Amt	% of Mkt Cap	Amt	% of Mkt Cap
Long-term notes:				
Variable rate	\$ --	--	\$ 67,960	1.5%
Fixed rate	1,040,650	23.0%	305,560	6.7%
Variable rate facility	205,000	4.5%	--	--
Total debt	\$ 1,245,650	27.5%	\$ 373,520	8.2%
Average interest rates <sup>(3)</sup>	7.0%		6.3%	
Combined average interest rate <sup>(3)</sup>	6.8%			

	2000	2001	2002	2003	2004
Maturities <sup>(4)</sup>	\$ 2,718	\$ 14,654	\$ 103,880	\$ 158,846	\$ 166,297

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

(4) Excludes \$600 million credit facility that, after all extensions, matures in 2003.

**Community Information**

	Communities	Apt Homes
Current Communities	118	33,851
Development Communities	9	2,473
Redevelopment Communities	6	2,497
Development Rights	34	9,140
Third-party management	2	633

**Analysis of Capitalized Costs**

Q1 2000 Capitalized Interest	\$ 3,494
Q1 2000 Capitalized Overhead <sup>(5)</sup>	\$ 4,512
YTD 2000 Non-Revenue CapX/Home	\$ 12

(5) Costs related to development and construction activities.

**Attachment 2**

**AvalonBay Communities, Inc.**  
**Detailed Operating Information**  
**March 31, 2000**  
(Dollars in thousands except per share data)  
(unaudited)

	Quarter-to-date		
	2000	1999 <sup>(1)</sup>	% Change
Revenue:			
Rental income <sup>(2)</sup>	\$ 134,785	\$ 118,573	13.7%
Management fees	248	339	(26.8%)
Other income	55	34	61.8%
Total	<u>135,088</u>	<u>118,946</u>	<u>13.6%</u>
Operating Expenses:			
Property operating expenses and taxes	38,196	37,913	0.7%
Other operating expenses	6,372	5,502	15.8%
Total	<u>44,568</u>	<u>43,415</u>	<u>2.7%</u>
Interest income	1,020	1,662	(38.6%)
Interest expense	(20,067)	(16,468)	21.9%
General and administrative	(2,947)	(2,368)	24.5%
Non-recurring items	--	(16,524)	N/A
Joint venture income and minority interest	155	293	(47.1%)
Depreciation and amortization	(29,419)	(27,226)	8.1%
Income before gain on sale	39,262	14,900	163.5%
Gain on sale of communities	7,910	--	N/A
Net income	47,172	14,900	216.6%
Dividends attributable to preferred stock	(9,945)	(9,945)	0.0%
Net income available to common stockholders	<u>\$ 37,227</u>	<u>\$ 4,955</u>	<u>651.3%</u>
Net income per common share- basic	<u>\$ 0.56</u>	<u>\$ 0.08</u>	<u>600.0%</u>
Net income per common share- diluted	<u>\$ 0.55</u>	<u>\$ 0.08</u>	<u>587.5%</u>
Calculation of Funds from Operations ("FFO"):			
Net income available to common stockholders	\$ 37,227	\$ 4,955	651.3%
Depreciation (real estate related)	28,594	26,797	6.7%
Joint venture adjustments	194	187	3.7%
Minority interest	509	433	17.6%
Gain on sale of communities	(7,910)	--	N/A
FFO available to Common Stockholders (Current Definition) <sup>(3)</sup>	<u>\$ 58,614</u>	<u>\$ 32,372</u>	<u>81.1%</u>
FFO available to Common Stockholders (Former Definition) <sup>(4)</sup>	<u>\$ 58,614</u>	<u>\$ 48,896</u>	<u>19.9%</u>
FFO per Common Share - Basic (Current Definition)	<u>\$ 0.88</u>	<u>\$ 0.50</u>	<u>76.0%</u>
FFO per Common Share - Diluted (Current Definition)	<u>\$ 0.87</u>	<u>\$ 0.50</u>	<u>74.0%</u>
FFO per Common Share - Basic (Former Definition)	<u>\$ 0.88</u>	<u>\$ 0.75</u>	<u>17.3%</u>
FFO per Common Share - Diluted (Former Definition)	<u>\$ 0.87</u>	<u>\$ 0.75</u>	<u>16.0%</u>

<sup>(1)</sup> Certain reclassifications have been made to prior year's results to conform with current year presentations.

<sup>(2)</sup> Fees for late payment of rent accounted for less than 0.3% of rental income during the quarter ended March 31, 2000.

<sup>(3)</sup> FFO is calculated based on NAREIT's October 1999 White Paper on FFO. Previously, non-recurring charges of \$16,076 for certain management and other organizational changes and \$448 of Year 2000 remediation costs were excluded from the calculation of FFO for the three months ended March 31, 1999.

<sup>(4)</sup> As previously reported for the quarter ended March 31, 1999.

**Attachment 3**

**AvalonBay Communities, Inc.**  
**Condensed Consolidated Balance Sheets**  
**March 31, 2000**  
(Dollars in thousands)  
(unaudited)

	March 31, 2000	December 31, 1999
Net real estate	\$ 3,650,955	\$ 3,642,457
Construction in progress (including land)	412,648	398,866
Total real estate, net	4,063,603	4,041,323
Other assets	116,513	113,339
Total assets	<u>\$ 4,180,116</u>	<u>\$ 4,154,662</u>
Unsecured facility	\$ 205,000	\$ 178,600
Unsecured senior notes	985,000	985,000
Notes payable	429,170	430,047
Other liabilities	149,652	155,353
Total liabilities	1,768,822	1,749,000
Minority interest	35,502	35,377
Stockholders' equity	2,375,792	2,370,285
Total liabilities and stockholders' equity	<u>\$ 4,180,116</u>	<u>\$ 4,154,662</u>

**Attachment 4**

**AvalonBay Communities, Inc.**  
**Quarter to Date Revenue and Occupancy Changes (Established Communities)**  
**March 31, 2000**

	Apartment Homes	Average Rental Rates			Occupancy			Rental Revenue (\$000's)			Percent of Total Established Revenue
		Q1 00	Q1 99	% Change	Q1 00	Q1 99	% Change	Q1 00	Q1 99	% Change	
<b>Northern California</b>											
San Jose, CA	2,646	\$ 1,445	\$ 1,399	3.6%	98.4%	95.0%	3.4%	\$ 11,287	\$ 10,553	7.0%	15.0%
Oakland, CA	2,090	1,217	1,184	2.9%	97.6%	95.6%	2.0%	7,447	7,102	4.9%	9.9%
San Francisco, CA	1,539	1,406	1,302	8.1%	97.3%	96.6%	0.7%	6,313	5,805	8.8%	8.4%
Northern California Average	6,275	1,359	1,304	4.5%	97.9%	95.6%	2.3%	25,047	23,460	6.8%	33.3%
<b>Southern California</b>											
Orange County, CA	1,270	1,050	988	6.5%	96.8%	95.7%	1.1%	3,874	3,601	7.6%	5.2%
San Diego, CA	376	1,055	964	9.4%	97.1%	97.8%	(0.7%)	1,155	1,063	8.7%	1.5%
Los Angeles, CA	209	999	921	8.5%	97.1%	97.0%	0.1%	608	560	8.6%	0.8%
Southern California Average	1,855	1,045	975	7.2%	96.9%	96.2%	0.7%	5,637	5,224	7.9%	7.5%
<b>Northeast</b>											
Boston, MA	1,293	1,613	1,546	4.5%	97.7%	95.6%	2.1%	6,112	5,731	6.6%	8.1%
Fairfield-New Haven, CT	1,444	1,385	1,320	4.9%	97.2%	97.8%	(0.6%)	5,832	5,592	4.3%	7.8%
Northern New Jersey	504	2,554	2,416	5.8%	96.9%	96.1%	0.8%	3,742	3,509	6.6%	5.0%
Central New Jersey	718	1,248	1,188	5.1%	98.1%	97.3%	0.8%	2,637	2,490	5.9%	3.5%
Long Island, NY	421	1,846	1,733	6.4%	98.1%	98.8%	(0.7%)	2,287	2,164	5.7%	3.0%
New York, NY	393	1,386	1,283	8.0%	98.7%	99.2%	(0.5%)	1,612	1,500	7.5%	2.1%
Northeast Average	4,773	1,590	1,510	5.4%	97.6%	97.1%	0.5%	22,222	20,986	5.9%	29.5%
<b>Mid-Atlantic</b>											
Washington, DC	3,783	1,227	1,157	6.2%	97.4%	97.2%	0.2%	13,571	12,760	6.4%	18.0%
Baltimore, MD	1,052	932	883	5.6%	96.7%	97.0%	(0.3%)	2,846	2,702	5.3%	3.8%
Mid-Atlantic Average	4,835	1,163	1,097	6.0%	97.3%	97.1%	0.2%	16,417	15,462	6.2%	21.8%
<b>Midwest</b>											
Minneapolis, MN	1,104	972	913	6.5%	95.9%	96.1%	(0.2%)	3,088	2,905	6.3%	4.1%
Chicago, IL	487	1,347	1,340	0.6%	97.4%	95.7%	1.7%	1,917	1,874	2.3%	2.5%
Midwest Average	1,591	1,087	1,044	4.2%	96.5%	96.0%	0.5%	5,005	4,779	4.7%	6.6%
<b>Pacific Northwest</b>											
Seattle, WA	264	1,258	1,203	4.6%	95.3%	72.2%	33.3%	949	688	37.9%	1.3%
Pacific Northwest Average	264	1,258	1,203	4.6%	95.3%	72.2%	33.3%	949	688	37.9%	1.3%
<b>Average/Total Established</b>	<b>19,593</b>	<b>\$ 1,314</b>	<b>\$ 1,250</b>	<b>5.2%</b>	<b>97.5%</b>	<b>96.1%</b>	<b>1.4%</b>	<b>\$ 75,277</b>	<b>\$ 70,599</b>	<b>6.6%</b>	<b>100.0%</b>



**Attachment 5****AvalonBay Communities, Inc.  
Summary of Development, Redevelopment and Acquisition Activity as of March 31, 2000**

	Number of Communities	Number of Homes	Dollar Value (millions)
<b><u>Portfolio Additions:</u></b>			
1999 Annual (Actuals)			
Development Communities	10	2,335	\$ 391.6
Redevelopment Communities (1)	13	--	77.3
Presale Communities	1	224	26.0
Total Additions	24	2,559	\$ 494.9
2000 Annual (Projections)			
Development Communities	6	1,209	\$ 175.0
Redevelopment Communities (1)	4	--	38.7
Presale Communities	5	1,452	151.8
Total Additions	15	2,661	\$ 365.5
<b><u>Pipeline Activity:</u></b>			
Currently under construction			
Development Communities	9	2,473	\$ 410.9
Redevelopment Communities (1)	6	--	68.1
Presale Communities	8	2,447	283.2
Subtotal	23	4,920	\$ 762.2
<b><u>Planning:</u></b>			
Development Rights	34	9,140	\$ 1,376.0
Presale Communities	1	306	57.3
Subtotal	35	9,446	\$ 1,433.3
Total Pipeline	58	14,366	\$ 2,195.5

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

**Attachment 6**

**AvalonBay Communities, Inc.**  
**Development Communities as of March 31, 2000**

	# of Apt Homes	Budgeted Cost (1) (millions)	Schedule				Avg Rent Per Home (3)	% Comp (4)	% Leased (5)	% Occ (6)
			Start	Initial Occupancy	Complete	Stabilized Ops (2)				
<b>Under Construction:</b>										
1. Avalon Willow Mamaronek, NY	227	\$ 46.8	Q2 1997	Q1 1999	Q2 2000	Q3 2000	\$ 2,144	67.0%	81.1%	66.5%
2. Avalon Essex Peabody, MA	154	\$ 21.4	Q2 1999	Q2 2000	Q3 2000	Q4 2000	\$ 1,779	70.1%	74.0%	53.9%
3. Avalon at Florham Park Florham Park, NJ	270	\$ 41.0	Q2 1999	Q1 2000	Q2 2001	Q4 2001	\$ 2,052	8.1%	14.1%	6.3%
4. Avalon River Mews Edgewater, NJ	408	\$ 75.6	Q3 1999	Q1 2001	Q3 2001	Q1 2002	\$ 2,303	N/A	N/A	N/A
5. Avalon Haven North Haven, CT	128	\$ 14.4	Q3 1999	Q2 2000	Q4 2000	Q1 2001	\$ 1,399	N/A	N/A	N/A
6. Avalon Bellevue Bellevue, WA	202	\$ 29.9	Q4 1999	Q1 2001	Q2 2001	Q3 2001	\$ 1,565	N/A	N/A	N/A
7. Avalon at Arlington Square I Arlington, VA	510	\$ 69.9	Q4 1999	Q4 2000	Q4 2001	Q3 2002	\$ 1,586	N/A	N/A	N/A
8. Avalon on the Sound (7) New Rochelle, NY	412	\$ 92.1	Q4 1999	Q3 2001	Q4 2001	Q3 2002	\$ 2,444	N/A	N/A	N/A
9. Avalon Estates Hull, MA	162	\$ 19.8	Q4 1999	Q4 2000	Q2 2001	Q4 2001	\$ 1,545	N/A	N/A	N/A
Subtotal/Weighted Average	<u>2,473</u>	<u>\$ 410.9</u>								

**Completed this Quarter:**

1. Avalon Corners Stamford, CT	195	\$ 32.5	Q3 1998	Q3 1999	Q1 2000	Q2 2000	\$ 2,017	100.0%	100.0%	100.0%
2. Avalon Fox Mill Herndon, VA	165	\$ 19.5	Q4 1998	Q3 1999	Q1 2000	Q2 2000	\$ 1,531	100.0%	100.0%	100.0%
3. Avalon Court North Melville, NY	340	\$ 40.4	Q4 1998	Q3 1999	Q1 2000	Q2 2000	\$ 1,903	100.0%	100.0%	100.0%
Subtotal/Weighted Average	<u>700</u>	<u>\$ 92.4</u>								
Total/Weighted Average	<u>3,173</u>	<u>\$ 503.3</u>								

Projected EBITDA as % of Total Budgeted Cost (8)

10.5%

- (1) Total budgeted cost includes all capitalized costs projected to be incurred to develop the respective Development Community, including land acquisition costs, construction costs, real estate taxes, capitalized interest and loan fees, permits, professional fees, allocated development overhead and other regulatory fees determined in accordance with generally accepted accounting principles.
- (2) Stabilized operations is defined as the first full quarter of 95% or greater occupancy after completion of construction.
- (3) For communities not yet in lease-up, "Average Rent Per Home" reflects pro forma projections.
- (4) Includes apartment homes for which construction has been completed and accepted by management as of April 14, 2000.
- (5) Includes apartment homes for which leases have been executed or non-refundable deposits have been paid as of April 14, 2000.
- (6) Includes apartment homes occupied as of April 14, 2000.
- (7) This community will be developed under a joint venture structure with third party financing. AvalonBay's portion of the Budgeted Cost is expected to be \$13.3 million.
- (8) Projected EBITDA represents management's estimate, as of the date of release of this information, of gross potential community-level earnings projected to be achieved for the first stabilized year following the completion of construction before interest, income taxes (if any), depreciation, amortization and extraordinary items, minus (a) projected economic vacancy and (b) projected stabilized operating expenses. Projected EBITDA does not include either a management fee or any allocation of corporate overhead and is not a measure that can be determined in accordance with GAAP. Management uses its determination of Projected EBITDA to help measure the projected impact that a community under construction may have on company-wide performance once such community is complete and achieves stabilization (i.e., a 95% rate of occupancy.) Projected EBITDA is also a tool that management uses to measure and compare the performance and projected performance of different communities. Projected EBITDA should not be considered as an alternative to operating income, as determined in accordance with GAAP, as an indicator of the Company's or a community's operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) as a measure of liquidity. Projected EBITDA, and in particular community-level EBITDA, as disclosed by other REITs may not be comparable to the Company's calculation of EBITDA.

The following is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities and Exchange Act of 1934, as amended. The projections and estimates contained in the table above are forward-looking statements. These forward-looking statements involve risks and uncertainties, and actual results may differ materially from those projected in such statements. Risks associated with the Company's development, redevelopment, construction, and lease-up activities, which could impact the forward-looking statements made, include: development opportunities may be abandoned; construction costs of a community may exceed original estimates, possibly making the community uneconomical and/or affecting projected returns; and construction and lease-up may not be completed on schedule, resulting in increased debt service and construction costs.

**Attachment 7**

**AvalonBay Communities, Inc.  
Redevelopment Communities (1) as of March 31, 2000**

	# of Apt Homes	Cost (in millions)		Schedule				Avg Rent Per Home	Number of Homes	
		Acquisition Cost	Total Budgeted Cost (2)	Acquisition	Start	Complete	Restabilized Ops (3)		Completed to date	Out of Service @ 3/31/00
<b>Under Redevelopment:</b>										
1. Avalon Greenbriar (4) Renton, WA	421	\$ 25.3	\$ 35.7	Q2 1998	Q3 1998	Q2 2000	Q2 2000	\$ 1,006	338	12
2. Avalon at Mission Bay San Diego, CA	564	\$ 43.8	\$ 57.3	Q4 1997	Q3 1998	Q2 2000	Q3 2000	\$ 1,125	507	34
3. Creekside Mountain View, CA	294	\$ 29.0	\$ 39.8	Q4 1998	Q2 1999	Q3 2000	Q4 2000	\$ 1,522	158	23
4. Laguna Brisas Laguna Niguel, CA	176	\$ 17.2	\$ 21.2	Q1 1998	Q3 1999	Q2 2000	Q4 2000	\$ 1,157	171	5
5. Avalon at Cortez Hill San Diego, CA	293	\$ 24.4	\$ 33.8	Q2 1999	Q1 2000	Q1 2001	Q2 2001	\$ 1,216	0	23
6. Lakeside Burbank, CA	748	\$ 55.3	\$ 75.3	Q2 1999	Q1 2000	Q1 2002	Q2 2002	\$ 1,074	27	24
<b>Total/Weighted Average</b>	<b>2,496</b>	<b>\$ 195.0</b>	<b>\$ 263.1</b>						<b>1,201</b>	<b>121</b>

Projected EBITDA as % of Total Budgeted Cost (5) 9.2%

- (1) Redevelopment Communities are communities acquired for which redevelopment costs are expected to exceed 10% of the original acquisition cost or \$5,000,000.
- (2) Total budgeted cost includes all capitalized costs projected to be incurred to redevelop the respective Redevelopment Community, including costs to acquire the community, reconstruction costs, real estate taxes, capitalized interest and loan fees, permits, professional fees, allocated redevelopment overhead and other regulatory fees determined in accordance with generally accepted accounting principles.
- (3) Restabilized operations is defined as the first full quarter of 95% or greater occupancy after completion of reconstruction.
- (4) Formerly named Avalon Ridge.
- (5) Projected EBITDA represents management's estimate, as of the date of release of this information, of gross potential community-level earnings projected to be achieved for the first stabilized year following the completion of construction before interest, income taxes (if any), depreciation, amortization and extraordinary items, minus (a) projected economic vacancy and (b) projected stabilized operating expenses. Projected EBITDA does not include either a management fee or any allocation of corporate overhead and is not a measure that can be determined in accordance with GAAP. Management uses its determination of Projected EBITDA to help measure the projected impact that a community under construction may have on company-wide performance once such community is complete and achieves stabilization (i.e., a 95% rate of occupancy.) Projected EBITDA is also a tool that management uses to measure and compare the performance and projected performance of different communities. Projected EBITDA should not be considered as an alternative to operating income, as determined in accordance with GAAP, as an indicator of the Company's or a community's operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) as a measure of liquidity. Projected EBITDA, and in particular community-level EBITDA, as disclosed by other REITs may not be comparable to the Company's calculation of EBITDA."

The following is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities and Exchange Act of 1934, as amended. The projections and estimates contained in the table above are forward-looking statements. These forward-looking statements involve risks and uncertainties, and actual results may differ materially from those projected in such statements. Risks associated with the Company's development, redevelopment, construction, and lease-up activities, which could impact the forward-looking statements made, include: development opportunities may be abandoned; construction costs of a community may exceed original estimates, possibly making the community uneconomical and/or affecting projected returns; and construction and lease-up may not be completed on schedule, resulting in increased debt service and construction costs.

**Attachment 8**

**AvalonBay Communities, Inc.**  
**Historical Development and Redevelopment Communities Yield Analysis as of March 31, 2000**

Year of Development/Redevelopment Completion	Number of Communities	Number of Apartment Homes	Total Capital Cost (2) (millions)	EBITDA as % of Total Capital Costs (1)			
				Original Projection	Initial Year Stabilized Yield (3)	Current Actual or Projected (4)	
<u>Development Communities</u>							
1994	3	958	\$ 67.6	11.4%	11.8%	15.4%	
1995	3	777	84.4	9.6%	11.1%	13.4%	
1996	6	866	70.6	10.0%	11.0%	14.3%	
1997	8	2,672	331.9	10.1%	11.6%	13.6%	
1998	6	2,175	263.2	10.6%	11.4%	12.1%	
1999	10	2,335	391.6	10.1%	10.8%	10.8%	
2000	3	700	92.4	10.9%	12.1%	12.1%	
Total/Weighted Average	<u>39</u>	<u>10,483</u>	<u>\$ 1,301.7</u>	<u>10.4%</u>	<u>11.3%</u>	<u>12.4%</u>	
<u>Redevelopment Communities</u>							
1995	(5)	2	406	\$ 23.6	9.8%	10.0%	16.1%
1996		6	1,689	114.9	9.6%	10.4%	13.2%
1997		9	2,037	196.1	9.8%	9.7%	10.7%
1998		8	1,969	195.7	9.5%	9.8%	10.9%
1999		13	4,051	385.5	9.2%	8.9%	8.9%
2000		--	--	--	--	--	--
Total/Weighted Average	<u>38</u>	<u>10,152</u>	<u>\$ 915.8</u>	<u>9.4%</u>	<u>9.5%</u>	<u>10.2%</u>	

- (1) EBITDA represents management's estimate, as of the date of release of this information, of gross community-level earnings achieved at the communities whose development was completed during the indicated year, before interest, income taxes (if any), depreciation, amortization and extraordinary items. EBITDA does not include a management fee or any allocation of corporate overhead and is not a measure that can be determined in accordance with GAAP. Management uses its determination of community-level EBITDA to help measure the impact that a community has on company-wide performance and to measure and compare the performance and projected performance of different communities. EBITDA should not be considered as an alternative to operating income, as determined in accordance with GAAP, as an indicator of the Company's or a community's operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) as a measure of liquidity. EBITDA, and in particular community-level EBITDA, as disclosed by other REITs may not be comparable to the Company's calculation of EBITDA.
- (2) Total capital cost includes all capitalized costs projected to be incurred to develop or redevelop the respective community, including land acquisition costs, construction costs, reconstruction costs, real estate taxes, capitalized interest and loan fees, permits, professional fees, allocated development overhead and other regulatory fees determined in accordance with generally accepted accounting principles ("GAAP").
- (3) Represents actual or projected yield for first full calendar year of stabilized operations.
- (4) Current actuals based on 2000 community operating budgets.
- (5) 1995 Redevelopment was adjusted to exclude Crossbrook which is included in 1999 Redevelopment completions.

The following is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities and Exchange Act of 1934, as amended. The projections and estimates contained in the table above are forward-looking statements. These forward-looking statements involve risks and uncertainties, and actual results may differ materially from those projected in such statements. Risks associated with the Company's development, redevelopment, construction, and lease-up activities, which could impact the forward-looking statements made, include: development opportunities may be abandoned; construction costs of a community may exceed original estimates, possibly making the community uneconomical and/or affecting projected returns; and construction and lease-up may not be completed on schedule, resulting in increased debt service and construction costs.

**Attachment 9**

**AvalonBay Communities, Inc.**  
**Summary of Development and Redevelopment Community Activity (1) as of March 31, 2000**

**DEVELOPMENT**

	Apt Homes Completed & Occupied	Development Community Investments (2)	Value of Homes Completed & Occupied	Remaining to Invest (3)	Construction in Progress at Period End (4)
<b>1999 (Actual):</b>					
Quarter 1	557	\$ 69,607,901	\$ 86,362,065	\$ 147,588,385	\$ 284,491,166
Quarter 2	926	83,293,408	138,357,542	126,092,161	225,566,252
Quarter 3	987	54,964,558	178,392,840	158,874,215	140,952,258
Quarter 4	444	76,943,804	76,134,052	214,054,515	130,487,438
<b>Total - 1999</b>	<b>2,914</b>	<b>\$ 284,809,671</b>	<b>\$ 479,246,499</b>		
<b>2000 :</b>					
Quarter 1 (Actual)	297	\$ 37,274,053	\$ 41,341,864	\$ 177,624,766	\$ 125,101,865
Quarter 2 (Projected)	221	42,997,655	35,369,431	134,627,111	110,593,950
Quarter 3 (Projected)	209	40,907,530	28,597,052	93,719,581	125,954,400
Quarter 4 (Projected)	263	39,842,449	36,317,804	53,877,132	124,866,450
<b>Total - 2000</b>	<b>990</b>	<b>\$ 161,021,687</b>	<b>\$ 141,626,151</b>		

**REDEVELOPMENT**

	Avg Homes Out of Service	Redevelopment Community Investments (2)	Remaining to Invest (3)	Reconstruction in Progress at Period End (4)
<b>1999 (Actual):</b>				
Quarter 1	296	\$ 15,531,039	\$ 41,650,143	\$ 64,746,288
Quarter 2	212	17,802,587	41,764,758	53,106,275
Quarter 3	207	17,684,177	52,008,299	32,268,365
Quarter 4	80	11,957,716	71,208,982	11,957,716
<b>Total - 1999</b>		<b>\$ 62,975,519</b>		
<b>2000 :</b>				
Quarter 1 (Actual)	69	\$ 10,324,274	\$ 62,411,878	\$ 15,174,151
Quarter 2 (Projected)	81	16,564,524	45,847,354	8,400,667
Quarter 3 (Projected)	118	16,038,274	29,809,080	12,449,400
Quarter 4 (Projected)	107	12,944,744	16,864,336	11,339,000
<b>Total - 2000</b>		<b>\$ 55,871,816</b>		

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

(2) Represents amount incurred or expected to be incurred during the quarter.

(3) Represents amount remaining to invest on Current and Future Development / Redevelopment Communities under construction or reconstruction during the quarter and those expected to begin within the next 90 days.

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

**Attachment 10****AvalonBay Communities, Inc.  
Future Development and PreSale Commitments as of March 31, 2000**

<b>DEVELOPMENT RIGHTS</b>			
<b>Location of Development Right</b>		<b>Estimated Number of Homes</b>	<b>Estimated Budgeted Cost (millions)</b>
1. Mountain View, CA	(1)	211	\$60
2. San Jose, CA	(1)	217	42
3. Stamford, CT		323	60
4. Freehold, NJ		296	35
5. Orange, CT	(1)	168	18
6. New Canaan, CT	(1) (2)	104	26
7. Darien, CT	(1)	189	37
8. Yonkers, NY		256	35
9. Greenburgh - II, NY		500	83
10. Greenburgh - III, NY		266	44
11. Arlington II, VA	(1)	332	40
12. Hopewell, NJ		280	34
13. Port Jefferson, NY		232	28
14. Yorktown, NY		396	47
15. Marlborough, MA		202	22
16. Newtown, CT		304	34
17. Wilton, CT		115	21
18. North Potomac, MD		564	64
19. Los Angeles, CA		241	39
20. Weymouth, MA		304	33
21. San Diego, CA	(1)	378	54
22. Long Island City, NY		372	102
23. Coram, NY		450	61
24. Westborough, MA		386	44
25. Lawrence, NJ		342	38
26. Salem, MA		176	20
27. Wilmington, MA		120	16
28. North Bethesda, MD		414	42
29. San Francisco, CA		250	70
30. Andover, MA		156	20
31. St. James, NY		112	16
32. Seattle, WA		100	19
33. Washington, D.C.		209	41
34. Seattle, WA		175	31
Totals		<u>9,140</u>	<u>\$1,376</u>

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

(2) The land is currently owned by Town Close Associates Limited Partnership in which the Company is a majority partner. It is currently anticipated that the land seller will retain a minority limited partner interest.

**Attachment 10, continued**

**AvalonBay Communities, Inc.**  
**Future Development and PreSale Commitments as of March 31, 2000**

**PRESALE COMMITMENTS**

Community Name	Location	Estimated Homes	Estimated Budgeted Cost (millions)	Projected Closing Date
<u>Under Construction:</u>				
1. Avalon RockMeadow	Mill Creek, WA	206	\$24.2	Q2 2000
2. Avalon WildReed	Everett, WA	234	22.9	Q2 2000
3. Avalon ParcSquare	Redmond, WA	124	19.0	Q2 2000
4. Avalon HighGrove	Everett, WA	391	39.2	Q4 2000
5. Avalon Palladia	Hillsboro, OR	497	46.5	Q4 2000
6. Avalon Wynhaven	Issaquah, WA	333	52.6	Q1 2001
7. Avalon Brandemoor (3)	Lynwood, WA	424	45.6	Q3 2001
8. Avalon WildWood (4)	Lynwood, WA	238	33.2	Q3 2001
		2,447	283.2	
<u>Preconstruction:</u>				
9. Avalon Greyrock	Stamford, CT	306	57.3	Q4 2002
<b>Total</b>		2,753	\$ 340.5	

**PRESALE COMMUNITIES**

	Presale Community Investments (1)	Remaining to Invest (2)
<u>1999 (Actual):</u>		
Quarter 1	\$ 23,825,992	\$202,374,990
Quarter 2	33,852,583	168,473,777
Quarter 3	57,519,092	111,016,179
Quarter 4	30,042,853	81,016,887
<b>Total - 1999</b>	\$145,240,520	
<u>2000:</u>		
Quarter 1 (Actual)	\$ 21,198,846	\$ 59,823,843
Quarter 2 (Projected)	22,753,369	37,070,474
Quarter 3 (Projected)	16,759,002	20,311,471
Quarter 4 (Projected)	10,001,526	10,309,945
<b>Total - 2000</b>	\$ 70,712,743	

(1) Represents amount incurred or expected to be incurred during the quarter.

(2) Represents amount remaining to invest on Presale Communities as of quarter end.

(3) Formerly named Avalon BelleGate.

(4) Formerly named Avalon Brandemoor.

**Attachment 11**

**AvalonBay Communities, Inc.**  
**Summary of Disposition Activity as of March 31, 2000**

<b>Community Name</b>	<b>Location</b>	<b>Gross Sales Price</b>
<u>Q1 1999:</u>		
1. Blairmore	Rancho Cordova, CA	\$13,250,000
<u>Q2 1999:</u>		
1. Avalon at Park Center	Alexandria, VA	44,250,000
2. Avalon at Lake Arbor	Mitchellville, MD	14,160,000
3. Avalon Station	Fredricksburg, VA	12,734,000
4. Avalon Gayton	Richmond, VA	18,418,000
5. Avalon Boulders	Richmond, VA	16,075,000
Subtotal		105,637,000
<u>Q3 1999:</u>		
1. The Pointe	Fairfield, CA	24,350,000
2. Avalon at Willow Lake	Indianapolis, IN	14,350,000
3. Avalon at Geist	Indianapolis, IN	10,300,000
Subtotal		49,000,000
<u>Q4 1999:</u>		
1. Avalon at Oxford Hill	St. Louis, MO	29,900,000
2. Avalon at Montgomery	Cincinnati, OH	15,600,000
3. Avalon Heights	Detroit, MI	15,150,000
4. Fairlane Woods (1)	Detroit, MI	26,500,000
5. Rivershore	Pittsburg, CA	13,300,000
6. Avalon at Hampton I & II	Hampton, VA	23,575,000
7. Avalon Park	Manassas, VA	25,800,000
Subtotal		149,825,000
<b>1999 Total</b>		<b>317,712,000</b>
<u>Q1 2000:</u>		
1. Avalon Chase	Marlton, NJ	29,700,000
<b>Total</b>		<b>\$347,412,000</b>
<b>Weighted Average Initial Year Market Cap Rate</b>		<b>8.3%</b>

(1) Fairland Woods was a Note, not an owned community.