

AvalonBay Communities, Inc.

For Immediate News Release
April 21, 2005

AVALONBAY COMMUNITIES INC. ANNOUNCES FIRST QUARTER 2005 OPERATING RESULTS

(Alexandria, VA) AvalonBay Communities, Inc. (NYSE/PCX: AVB) reported today that Net Income Available to Common Stockholders for the quarter ended March 31, 2005 was \$67,435,000, resulting in Earnings per Share - diluted ("EPS") of \$0.92, compared to \$0.32 for the comparable period of 2004, a per share increase of 187.5%. This increase is primarily attributable to gains on asset sales during the first quarter of 2005, including the sale of a technology investment.

Funds from Operations attributable to common stockholders - diluted ("FFO") for the quarter ended March 31, 2005 was \$71,249,000, or \$0.96 per share compared to \$57,378,000, or \$0.79 per share for the comparable period of 2004, a per share increase of 21.5%. This increase is primarily attributable to contributions from newly developed and redeveloped communities, improved community operating results and lower interest expense, and was further affected by the following non-routine items:

- Gain on sale of a technology investment in the amount of \$6,252,000 or \$0.08 per share, resulting from the acquisition of Rent.com by eBay;
- Income of \$1,378,000 or \$0.02 per share, related to the impact of the development by a third-party of a hotel adjacent to one of the Company's existing communities; and
- Separation costs of approximately \$2,100,000 or \$0.03 per share, due to the departure of a senior executive.

Operating Results for the Quarter Ended March 31, 2005 Compared to the Prior Year Period

For the Company, including discontinued operations, total revenue increased by \$10,538,000, or 6.6% to \$170,002,000. For Established Communities, rental revenue increased 2.4%, comprised of an increase in Economic Occupancy of 1.4% and an increase in rental rates of 1.0%. This is the Company's first year-over-year increase in rental rates in three years. Total revenue for Established Communities increased \$2,889,000 to \$123,434,000, and operating expenses remained relatively flat from the prior year at

\$38,932,000. Accordingly, Net Operating Income ("NOI") for Established Communities increased by \$2,985,000 or 3.7%, to \$84,502,000.

The following table reflects the percentage changes in rental revenue, operating expenses and NOI for Established Communities from the first quarter of 2004 to the first quarter of 2005:

| 1Q 05 Compared to 1Q 04 | | | | |
|-------------------------|-------------------|-----------------------|-------------|---------------|
| | Rental Revenue | Operating Expenses | NOI | % of NOI* |
| Northeast | 3.8% | (0.2%) | 5.8% | 41.0% |
| Mid-Atlantic | 0.2% | 0.7% | 0.1% | 16.8% |
| Midwest | 2.2% | (4.2%) | 6.6% | 2.3% |
| Pacific NW | 2.5% | (4.2%) | 6.4% | 5.1% |
| No. California | 1.1% | (0.2%) | 1.6% | 23.3% |
| So. California | 4.5% | 2.7% | 5.2% | 11.5% |
| Total | <u>2.4%</u> | <u>(0.2%)</u> | <u>3.7%</u> | <u>100.0%</u> |

* Total represents each region's % of total NOI from the Company, including discontinued operations.

Sequential Operating Results for the Quarter Ended March 31, 2005 Compared to the Quarter Ended December 31, 2004

The following table reflects the sequential percentage changes in rental revenue, operating expenses and NOI for Established Communities from the fourth quarter of 2004 to the first quarter of 2005:

| 1Q 05 Compared to 4Q 04 | | | |
|-------------------------|-------------------|-----------------------|-------------|
| | Rental Revenue | Operating Expenses | NOI |
| Northeast | 0.5% | 2.1% | (0.3%) |
| Mid-Atlantic | 0.1% | 2.3% | (0.8%) |
| Midwest | 2.3% | (10.8%) | 12.6% |
| Pacific NW | 0.4% | (10.1%) | 6.8% |
| No. California | (0.2%) | (6.5%) | 2.9% |
| So. California | 1.0% | (1.3%) | 1.9% |
| Total | <u>0.3%</u> | <u>(2.1%)</u> | <u>1.4%</u> |

Established Communities Operating Statistics

Market Rents, as determined by the Company, averaged \$1,558 per home for the Established Community portfolio as a whole in the first quarter of 2005, increasing 2.3% as compared to average Market Rents for the first quarter of 2004 and increasing 0.5% over average Market Rents for the fourth quarter of 2004.

Economic Occupancy was 95.5% during the first quarter of 2005, increasing 1.4% as compared to the first quarter of 2004 and decreasing 0.1% as compared to the fourth quarter of 2004.

Cash concessions are recognized on an accrual basis in accordance with Generally Accepted Accounting Principles ("GAAP") and are amortized over the approximate lease term, which is generally one year.

The following table reflects the percentage changes in GAAP rental revenue and rental revenue with concessions on a cash basis for our Established Communities:

| | 1Q 05 vs 1Q 04 | 1Q 05 vs 4Q 04 |
|---|----------------|----------------|
| GAAP Rental Revenue | 2.4% | 0.3% |
| Rental revenue (with concessions on a cash basis) | 3.0% | 0.8% |

Concessions granted per move-in for Established Communities averaged \$972 during the first quarter of 2005, an increase of 8.2% from \$898 in the first quarter of 2004 and an increase of 1.0% from \$962 in the fourth quarter of 2004.

Investment Activity

On March 16, 2005 the Company announced the closing of AvalonBay Value Added Fund, L.P. (the "Fund"). The Fund is a private, discretionary investment vehicle with nine institutional investors including the Company and combined capital commitments of \$330,000,000. The Company has committed \$50,000,000 to the Fund, representing a 15% equity interest. The Fund expects to employ leverage of up to 65%, allowing for a total investment capacity of approximately \$940,000,000. The Fund will acquire and operate multifamily communities in the Company's current markets. At closing, the Fund held four communities, containing a total of 879 apartment homes with an aggregate gross real estate value of \$112,852,000, that were acquired by the Company in 2004 in anticipation of the Fund's closing. The Company will receive asset management fees, property management fees and redevelopment fees, as well as a promoted interest if certain thresholds are met.

Also in March 2005, the Company purchased its joint venture partner's interest in the limited liability company that owns Avalon on the Sound. Avalon on the Sound, a 412 apartment home community located in the New York, NY metropolitan area, was developed through the joint venture in 2001. The Company purchased the third-party partner's 75% equity interest in the joint venture for a gross purchase price of approximately \$84,521,000. After consideration of the third-party partner's pro rata share of outstanding debt, as well as the Company's share of promoted interest, the net purchase price was approximately \$57,400,000. In conjunction with the purchase transaction, the third-party lender to the limited liability company received a payment of \$36,142,000 in consideration of the outstanding debt, of which \$9,036,000 was the Company's share of such payment.

Development Activity

The Company completed one development community during the first quarter of 2005. Avalon at Crane Brook, located in the greater Boston, MA area, is a garden-style community containing 387 apartment homes and was completed for a Total Capital Cost of \$55,900,000.

In addition, the Company commenced construction of two communities during the first quarter of 2005. Avalon Wilshire, located in Los Angeles, CA, is expected to contain 123 apartment homes when completed, for a Total Capital Cost of \$42,000,000. Avalon at Mission Bay North II, located in San Francisco, CA, is expected to contain 313 apartment homes when completed, for a Total Capital Cost of \$118,000,000. Avalon at Mission Bay North II is being developed through a joint venture in which the Company owns a 25% equity interest. The Company has the right to receive development fees and property management fees, as well as a promoted interest if certain thresholds are met.

The Company also acquired four parcels of land during the first quarter of 2005 to hold for future development, for an aggregate purchase price of \$15,664,000. These parcels of land, if developed as expected, will contain 557 apartment homes for a Total Capital Cost of \$98,000,000.

Disposition Activity

During the first quarter of 2005, the Company sold two communities, Avalon at Penasquitos Hills, located in San Diego, CA, and Avalon Sunnyvale, located in the greater San Jose, CA area. These two communities, which contained a total of 396 apartment homes, were sold for an aggregate sales price of \$79,250,000. The sale of these communities resulted in a gain as

reported in accordance with GAAP of \$37,613,000 and an Economic Gain of \$44,753,000. The weighted average Initial Year Market Cap Rate related to these communities was 3.9% and the weighted average Unleveraged IRR was 19.4%.

Financing, Liquidity and Balance Sheet Statistics

In January 2005, the Company repaid \$100,000,000 of unsecured notes with an annual interest rate of 6.625% and \$50,000,000 of unsecured notes with an annual interest rate of 6.50%, along with any unpaid interest, pursuant to their scheduled maturity.

In March 2005, the Company issued \$100,000,000 in unsecured notes under its existing shelf registration statement at an annual effective interest rate of 4.999%, which mature in March 2013.

As of March 31, 2005, the Company had \$136,000,000 outstanding under its \$500,000,000 unsecured credit facility. Leverage, calculated as total debt as a percentage of Total Market Capitalization, was 32.5% at March 31, 2005. Unencumbered NOI for the three months ended March 31, 2005 was approximately 85% and Interest Coverage for the first quarter of 2005 was 3.0 times.

Second Quarter Outlook

The Company expects EPS in the range of \$1.01 to \$1.05 for the second quarter of 2005.

The Company expects Projected FFO per share in the range of \$0.85 to \$0.89 for the second quarter of 2005.

Second Quarter 2005 Conference Schedule

The Company is scheduled to participate in the following conferences during the second quarter 2005:

| 2Q 05 Conference Schedule | |
|--|------------|
| Event/Conference | Date |
| AvalonBay New York Area Community Tour | June 7th |
| NAREIT Institutional Investor Forum | June 8-9th |
| Wachovia Securities Equity Conference | June 28th |

The Company is scheduled to present and conduct a question and answer session at each of these conferences. Management's presentation and the question and answer session may include a discussion of the Company's current operating environment; operating trends; current development, disposition and acquisition activity; the Company's outlook and other business and financial matters affecting the Company.

Details on how to access a webcast of each event and/or related materials will be available on the Company's website at <http://www.avalonbay.com/events> beginning June 1, 2005.

Other Matters

The Company will hold a conference call on April 22, 2005 at 1:00 PM EDT to review and answer appropriate questions about these results and projections, the earnings release attachments described below and related matters. The domestic number to call to participate is 1-877-510-2397. The international number to call to participate is 1-706-634-5877. The domestic number to hear a replay of this call is 1-800-642-1687 and the international number to hear a replay of this call is 1-706-645-9291 - Access Code: 4824034.

A webcast of the conference call will also be available at <http://www.avalonbay.com/earnings>, and an on-line playback of the webcast will be available for at least 30 days following the call.

The Company produces Earnings Release Attachments (the "Attachments") that provide detailed information regarding operating, development, redevelopment, disposition and acquisition activity. These Attachments are considered a part of this earnings release and are available in full with this earnings release via the Company's website and through e-mail distribution. The full earnings release including the Attachments is available at <http://www.avalonbay.com/earnings>. To receive future press releases via e-mail, please register through the Investor Relations section of the website at <http://www.avalonbay.com/Template.cfm?Section=Subscribe>. Some items referenced in the earnings release may require the Adobe Acrobat 6.0 Reader. If you do not have the Adobe Acrobat 6.0 Reader, you may download it at the following website address: <http://www.adobe.com/products/acrobat/readstep.html>.

Definitions and Reconciliations

The following non-GAAP financial measures and other terms, as used in the text of this earnings release, are defined and further explained on Attachment 13, "Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms":

- FFO
- Projected FFO
- Established Communities
- NOI
- Market Rents
- Economic Occupancy
- Rental revenue with concessions on a cash basis
- Total Capital Cost
- Economic Gain
- Initial Year Market Cap Rate
- Unleveraged IRR
- Leverage
- Total Market Capitalization
- Unencumbered NOI
- Interest Coverage

About AvalonBay Communities, Inc.

As of March 31, 2005, AvalonBay owned or held an ownership interest in 148 apartment communities containing 42,850 apartment homes in ten states and the District of Columbia, of which eleven communities were under construction and four communities were under reconstruction. AvalonBay is an equity REIT in the business of developing, redeveloping, acquiring and managing apartment communities in high barrier-to-entry markets of the United States. More information on AvalonBay may be found on AvalonBay's website at <http://www.avalonbay.com>. For additional information, please contact Bryce Blair, Chairman and Chief Executive Officer, at (703) 317-4652 or Thomas J. Sargeant, Chief Financial Officer, at (703) 317-4635.

Forward-Looking Statements

This release, including its Attachments, 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. You can identify these forward-looking statements by the Company's use of words such as "expects," "plans," "estimates," "projects," "intends," "believes" and similar expressions that do not relate to historical matters. Actual results may differ materially from those expressed or implied by the forward-looking statements as a result of risks and uncertainties, which include the following: changes in local employment conditions, demand for apartment homes, supply of competitive housing products, and other economic conditions may result in lower than

expected occupancy and/or rental rates and adversely affect the profitability of our communities; increases in costs of materials, labor or other expenses may result in communities that we develop or redevelop failing to achieve expected profitability; delays in completing development, redevelopment and/or lease-up 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 on favorable terms; we may be unable to obtain, or experience delays in obtaining, necessary governmental permits and authorizations; we may abandon development or redevelopment opportunities for which we have already incurred costs. Additional discussions of risks and uncertainties appear in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements."

The Company does not undertake a duty to update forward-looking statements, including its expected operating results for the second quarter 2005. The Company may, in its discretion, provide information in future public announcements regarding its outlook that may be of interest to the investment community. The format and extent of future outlooks may be different from the format and extent of the information contained in this release.

AvalonBay

COMMUNITIES, INC.

FIRST QUARTER 2005

Supplemental Operating and Financial Data



Avalon at Crane Brook is a garden style community containing 387 apartment homes. The community is located on 26 acres stretched across the Town of Danvers and the City of Peabody in Massachusetts. Located 13 miles north of Boston on Interstate 95 and Route 114, Avalon at Crane Brook offers suburban living with the convenience to Boston and the Route 128 Corridor, a major employment center near Boston.

Avalon at Crane Brook offers a variety of floor plans to meet the diverse needs of our customers. Apartment homes feature lofts with cathedral ceilings, bay windows, balconies, walk-in closets and full size washers and dryers. Residents of Avalon at Crane Brook enjoy many community amenities including a fully equipped fitness center, basketball court, hot tub, heated swimming pool, resident lounge and sun deck.

Avalon at Crane Brook was completed for a Total Capital Cost of \$55.9 million.

FIRST QUARTER 2005

Supplemental Operating and Financial Data

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Definitions and Reconciliations

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The following is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended. The projections and estimates contained in the following attachments are forward-looking statements that 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 are discussed in the paragraph titled "Forward-Looking Statements" in the release to which these attachments relate. In particular, development opportunities may be abandoned; Total Capital Cost of a community may exceed original estimates, possibly making the community uneconomical and/or affecting projected returns; construction and lease-up may not be completed on schedule, resulting in increased debt service and construction costs; and other risks described 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, 2004.

AvalonBay Communities, Inc.
Selected Operating and Other Information
March 31, 2005

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

SELECTED OPERATING INFORMATION

| | Q1 2005 | Q1 2004 | Change | % Change |
|---|-------------------|-------------------|------------------|-------------|
| Net Income available to common stockholders | \$ 67,435 | \$ 23,102 | \$ 44,333 | 191.9% |
| Per common share - basic | \$ 0.93 | \$ 0.33 | \$ 0.60 | 181.8% |
| Per common share - diluted | \$ 0.92 | \$ 0.32 | \$ 0.60 | 187.5% |
| Funds from Operations | \$ 71,249 | \$ 57,378 | \$ 13,871 | 24.2% |
| Per common share - diluted | \$ 0.96 | \$ 0.79 | \$ 0.17 | 21.5% |
| Dividends declared - common | \$ 51,748 | \$ 50,027 | \$ 1,721 | 3.4% |
| Per common share | \$ 0.71 | \$ 0.70 | \$ 0.01 | 1.4% |
| Common shares outstanding | 72,884,022 | 71,467,072 | 1,416,950 | 2.0% |
| Outstanding operating partnership units | 480,260 | 583,594 | (103,334) | (17.7%) |
| Total outstanding shares and units | <u>73,364,282</u> | <u>72,050,666</u> | <u>1,313,616</u> | <u>1.8%</u> |
| Average shares outstanding - basic | 72,496,413 | 70,920,226 | 1,576,187 | 2.2% |
| Average operating partnership units outstanding | 497,968 | 607,759 | (109,791) | (18.1%) |
| Effect of dilutive securities | 1,263,915 | 1,015,997 | 247,918 | 24.4% |
| Average shares outstanding - diluted | <u>74,258,296</u> | <u>72,543,982</u> | <u>1,714,314</u> | <u>2.4%</u> |

DEBT COMPOSITION AND MATURITIES

| Debt Composition | Amount | % of Total Market Cap | Average Interest Rate (1) | Remaining Maturities (2) |
|--|---------------------|-----------------------------|---------------------------------|-----------------------------|
| Conventional Debt | | | | 2005 \$ 5,787 |
| Long-term, fixed rate | \$ 1,850,225 | 25.0% | | 2006 \$ 157,972 |
| Long-term, variable rate | 81,404 | 1.1% | | 2007 \$ 282,752 |
| Variable rate credit facility and short term notes | 150,262 | 2.0% | | 2008 \$ 213,386 |
| Subtotal, Conventional | <u>2,081,891</u> | <u>28.1%</u> | <u>6.2%</u> | 2009 \$ 227,897 |
| Tax-Exempt Debt | | | | |
| Long-term, fixed rate | 197,512 | 2.7% | | |
| Long-term, variable rate | 128,860 | 1.7% | | |
| Subtotal, Tax-Exempt | <u>326,372</u> | <u>4.4%</u> | <u>5.3%</u> | |
| Total Debt | <u>\$ 2,408,263</u> | <u>32.5%</u> | <u>6.1%</u> | |

CAPITALIZED COSTS

| | Cap Interest | Cap Overhead | Non-Rev Capex per Home |
|------|-----------------|-----------------|------------------------------|
| Q105 | \$5,662 | \$5,981 | \$25 |
| Q404 | \$5,231 | \$5,193 | \$104 |
| Q304 | \$5,257 | \$4,051 | \$90 |
| Q204 | \$5,010 | \$3,792 | \$114 |

COMMUNITY INFORMATION

| | Communities | Apartment Homes |
|-------------------------|-------------|--------------------|
| Current Communities | 137 | 40,133 |
| Development Communities | 11 | 2,717 |
| Development Rights | 49 | 13,104 |

(1) Includes credit enhancement fees, facility fees, trustees' fees, etc.

(2) Excludes amounts under the \$500,000 variable rate credit facility that, after all extensions, matures in 2008.

Attachment 2

AvalonBay Communities, Inc.
Detailed Operating Information
March 31, 2005
(Dollars in thousands except per share data)
(unaudited)

| | Q1 2005 | Q1 2004 | % Change |
|---|------------------|------------------|-----------------|
| Revenue: | | | |
| Rental and other income | \$ 168,277 | \$ 153,280 | 9.8% |
| Management, development and other fees | 434 | 148 | 193.2% |
| Total | <u>168,711</u> | <u>153,428</u> | <u>10.0%</u> |
| Operating expenses: | | | |
| Direct property operating expenses, excluding property taxes | 38,370 | 37,126 | 3.4% |
| Property taxes | 16,792 | 15,327 | 9.6% |
| Property management and other indirect operating expenses | 7,129 | 6,574 | 8.4% |
| Investments and investment management (1) | 992 | 841 | 18.0% |
| Total | <u>63,283</u> | <u>59,868</u> | <u>5.7%</u> |
| Interest income | 31 | 20 | 55.0% |
| Interest expense | (32,153) | (32,195) | (0.1%) |
| General and administrative expense | (7,159) | (4,713) | 51.9% |
| Joint venture income, minority interest and venture partner interest in profit-sharing (2) | 6,070 | 19 | N/A |
| Depreciation expense | (41,106) | (38,567) | 6.6% |
| Income from continuing operations before cumulative effect of change in accounting principle | 31,111 | 18,124 | 71.7% |
| Discontinued operations: (3) | | | |
| Income from discontinued operations | 886 | 2,606 | (66.0%) |
| Gain on sale of real estate assets | 37,613 | -- | 100.0% |
| Total discontinued operations | <u>38,499</u> | <u>2,606</u> | <u>1,377.3%</u> |
| Income before cumulative effect of change in accounting principle (4) | 69,610 | 20,730 | 235.8% |
| Cumulative effect of change in accounting principle | -- | 4,547 | (100.0%) |
| Net income | 69,610 | 25,277 | 175.4% |
| Dividends attributable to preferred stock | (2,175) | (2,175) | -- |
| Net income available to common stockholders | <u>\$ 67,435</u> | <u>\$ 23,102</u> | <u>191.9%</u> |
| Net income per common share - basic | <u>\$ 0.93</u> | <u>\$ 0.33</u> | <u>181.8%</u> |
| Net income per common share - diluted | <u>\$ 0.92</u> | <u>\$ 0.32</u> | <u>187.5%</u> |

- (1) Reflects costs incurred related to investment acquisition, investment management and abandoned pursuits.
- (2) Amount for the period ended March 31, 2005 includes \$6,252 related to gain on the acquisition of Rent.com by eBay.
- (3) Reflects net income for communities sold during the period from January 1, 2004 through March 31, 2005. The following table details income from discontinued operations as of the periods shown:

| | Q1 2005 | Q1 2004 |
|---|---------------|-----------------|
| Rental income | \$ 1,291 | \$ 6,036 |
| Operating and other expenses | (405) | (2,037) |
| Interest expense, net | -- | (252) |
| Minority interest expense | -- | (12) |
| Depreciation expense | -- | (1,129) |
| Income from discontinued operations (5) | <u>\$ 886</u> | <u>\$ 2,606</u> |

- (4) Operations for the period ended March 31, 2004 includes the operations of a community in which the Company held a variable interest. This community was consolidated as of January 1, 2004 as required by the Financial Accounting Standards Board (FASB) Interpretation No. 46 (FIN 46), Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin (ARB) No. 51. On October 15, 2004, the community repaid its note payable to the Company, terminating the variable interest relationship.
- (5) NOI for discontinued operations totaled \$886 in the first quarter of 2005, all of which related to assets sold.

Attachment 3

AvalonBay Communities, Inc.
Condensed Consolidated Balance Sheets
Detailed Operating Information
(Dollars in thousands)
(unaudited)

| | March 31, 2005 | December 31, 2004 |
|---|---------------------|----------------------|
| Real estate | \$ 5,364,885 | \$ 5,307,136 |
| Less accumulated depreciation | (861,581) | (810,028) |
| Net operating real estate | <u>4,503,304</u> | <u>4,497,108</u> |
| Construction in progress, including land | 179,727 | 173,291 |
| Land held for development | 187,875 | 166,751 |
| Operating real estate assets held for sale, net | <u>--</u> | <u>40,675</u> |
| Total real estate, net | 4,870,906 | 4,877,825 |
| Cash and cash equivalents | 3,497 | 1,552 |
| Cash in escrow | 13,615 | 13,075 |
| Resident security deposits | 25,929 | 23,478 |
| Other assets (1) | <u>151,322</u> | <u>152,351</u> |
| Total assets | <u>\$ 5,065,269</u> | <u>\$ 5,068,281</u> |
| Unsecured senior notes | \$ 1,809,133 | \$ 1,859,448 |
| Unsecured facility | 136,000 | 102,000 |
| Notes payable | 462,263 | 480,843 |
| Liabilities related to assets held for sale | -- | 342 |
| Other liabilities | <u>224,541</u> | <u>218,832</u> |
| Total liabilities | <u>\$ 2,631,937</u> | <u>\$ 2,661,465</u> |
| Minority interest | 20,668 | 21,525 |
| Stockholders' equity | <u>2,412,664</u> | <u>2,385,291</u> |
| Total liabilities and stockholders' equity | <u>\$ 5,065,269</u> | <u>\$ 5,068,281</u> |

(1) Other assets includes \$0 and \$227 relating to discontinued operations as of March 31, 2005 and December 31, 2004, respectively.

Attachment 4

AvalonBay Communities, Inc.
Quarterly Revenue and Occupancy Changes - Established Communities (1)
March 31, 2005

| | Apartment Homes | Average Rental Rates (2) | | | Economic Occupancy | | | Rental Revenue (\$000's) (3) | | |
|-----------------------------|-----------------|--------------------------|----------|----------|--------------------|-------|----------|------------------------------|------------|----------|
| | | Q1 05 | Q1 04 | % Change | Q1 05 | Q1 04 | % Change | Q1 05 | Q1 04 | % Change |
| Northeast | | | | | | | | | | |
| Boston, MA | 2,339 | \$ 1,537 | \$ 1,534 | 0.2% | 95.4% | 94.6% | 0.8% | \$ 10,287 | \$ 10,181 | 1.0% |
| Fairfield-New Haven, CT | 2,004 | 1,856 | 1,860 | (0.2%) | 95.3% | 89.8% | 5.5% | 10,640 | 10,103 | 5.3% |
| New York, NY | 1,606 | 2,108 | 2,088 | 1.0% | 95.6% | 93.7% | 1.9% | 9,711 | 9,433 | 2.9% |
| Northern New Jersey | 1,451 | 2,167 | 2,148 | 0.9% | 97.2% | 91.4% | 5.8% | 9,166 | 8,593 | 6.7% |
| Long Island, NY | 806 | 2,128 | 2,146 | (0.8%) | 96.2% | 92.7% | 3.5% | 4,950 | 4,822 | 2.7% |
| Central New Jersey | 502 | 1,597 | 1,572 | 1.6% | 94.3% | 91.8% | 2.5% | 2,268 | 2,179 | 4.1% |
| Northeast Average | 8,708 | 1,879 | 1,872 | 0.4% | 95.8% | 92.4% | 3.4% | 47,022 | 45,311 | 3.8% |
| Mid-Atlantic | | | | | | | | | | |
| Washington, DC | 3,721 | 1,407 | 1,393 | 1.0% | 94.3% | 94.9% | (0.6%) | 14,806 | 14,751 | 0.4% |
| Baltimore, MD | 526 | 1,133 | 1,126 | 0.6% | 94.6% | 96.3% | (1.7%) | 1,690 | 1,708 | (1.1%) |
| Mid-Atlantic Average | 4,247 | 1,373 | 1,359 | 1.0% | 94.3% | 95.1% | (0.8%) | 16,496 | 16,459 | 0.2% |
| Midwest | | | | | | | | | | |
| Chicago, IL | 887 | 1,079 | 1,074 | 0.5% | 94.6% | 92.9% | 1.7% | 2,718 | 2,659 | 2.2% |
| Midwest Average | 887 | 1,079 | 1,074 | 0.5% | 94.6% | 92.9% | 1.7% | 2,718 | 2,659 | 2.2% |
| Pacific Northwest | | | | | | | | | | |
| Seattle, WA | 2,504 | 1,046 | 1,032 | 1.4% | 95.2% | 94.1% | 1.1% | 7,483 | 7,302 | 2.5% |
| Pacific Northwest Average | 2,504 | 1,046 | 1,032 | 1.4% | 95.2% | 94.1% | 1.1% | 7,483 | 7,302 | 2.5% |
| Northern California | | | | | | | | | | |
| San Jose, CA | 5,099 | 1,430 | 1,427 | 0.2% | 95.8% | 96.2% | (0.4%) | 20,953 | 20,999 | (0.2%) |
| Oakland-East Bay, CA | 2,090 | 1,219 | 1,200 | 1.6% | 96.1% | 93.1% | 3.0% | 7,345 | 7,019 | 4.6% |
| San Francisco, CA | 2,015 | 1,654 | 1,617 | 2.3% | 94.9% | 96.0% | (1.1%) | 9,487 | 9,374 | 1.2% |
| Northern California Average | 9,204 | 1,431 | 1,417 | 1.0% | 95.6% | 95.5% | 0.1% | 37,785 | 37,392 | 1.1% |
| Southern California | | | | | | | | | | |
| Orange County, CA | 1,174 | 1,255 | 1,207 | 4.0% | 96.4% | 95.6% | 0.8% | 4,261 | 4,067 | 4.8% |
| San Diego, CA | 1,058 | 1,331 | 1,278 | 4.1% | 94.8% | 95.0% | (0.2%) | 4,002 | 3,853 | 3.9% |
| Los Angeles, CA | 975 | 1,280 | 1,225 | 4.5% | 96.3% | 96.0% | 0.3% | 3,606 | 3,440 | 4.8% |
| Southern California Average | 3,207 | 1,288 | 1,236 | 4.2% | 95.8% | 95.5% | 0.3% | 11,869 | 11,360 | 4.5% |
| Average/Total Established | 28,757 | \$ 1,498 | \$ 1,483 | 1.0% | 95.5% | 94.1% | 1.4% | \$ 123,373 | \$ 120,483 | 2.4% |

(1) Established Communities are communities with stabilized operating expenses as of January 1, 2004 such that a comparison of 2004 to 2005 is meaningful.

(2) Reflects the effect of concessions amortized over the average lease term.

(3) With concessions reflected on a cash basis, rental revenue from Established Communities increased 3.0% between years.

Attachment 5

AvalonBay Communities, Inc.
***Sequential Quarterly* Revenue and Occupancy Changes - Established Communities (1)**
March 31, 2005

| | Apartment Homes | Average Rental Rates (2) | | | Economic Occupancy | | | Rental Revenue (\$000's) (3) | | |
|-----------------------------|-----------------|--------------------------|----------|----------|--------------------|-------|----------|------------------------------|------------|----------|
| | | Q1 05 | Q4 04 | % Change | Q1 05 | Q4 04 | % Change | Q1 05 | Q4 04 | % Change |
| Northeast | | | | | | | | | | |
| Boston, MA | 2,339 | \$ 1,537 | \$ 1,541 | (0.3%) | 95.4% | 95.7% | (0.3%) | \$ 10,287 | \$ 10,344 | (0.6%) |
| Fairfield-New Haven, CT | 2,004 | 1,856 | 1,849 | 0.4% | 95.3% | 96.6% | (1.3%) | 10,640 | 10,740 | (0.9%) |
| New York, NY | 1,606 | 2,108 | 2,093 | 0.7% | 95.6% | 95.4% | 0.2% | 9,711 | 9,621 | 0.9% |
| Northern New Jersey | 1,451 | 2,167 | 2,131 | 1.7% | 97.2% | 95.9% | 1.3% | 9,166 | 8,899 | 3.0% |
| Long Island, NY | 806 | 2,128 | 2,120 | 0.4% | 96.2% | 96.3% | (0.1%) | 4,950 | 4,937 | 0.3% |
| Central New Jersey | 502 | 1,597 | 1,580 | 1.1% | 94.3% | 95.4% | (1.1%) | 2,268 | 2,269 | 0.0% |
| Northeast Average | 8,708 | 1,879 | 1,868 | 0.6% | 95.8% | 95.9% | (0.1%) | 47,022 | 46,810 | 0.5% |
| Mid-Atlantic | | | | | | | | | | |
| Washington, DC | 3,721 | 1,407 | 1,394 | 0.9% | 94.3% | 95.1% | (0.8%) | 14,806 | 14,784 | 0.1% |
| Baltimore, MD | 526 | 1,133 | 1,130 | 0.3% | 94.6% | 95.3% | (0.7%) | 1,690 | 1,696 | (0.4%) |
| Mid-Atlantic Average | 4,247 | 1,373 | 1,359 | 1.0% | 94.3% | 95.2% | (0.9%) | 16,496 | 16,480 | 0.1% |
| Midwest | | | | | | | | | | |
| Chicago, IL | 887 | 1,079 | 1,072 | 0.7% | 94.6% | 93.0% | 1.6% | 2,718 | 2,657 | 2.3% |
| Midwest Average | 887 | 1,079 | 1,072 | 0.7% | 94.6% | 93.0% | 1.6% | 2,718 | 2,657 | 2.3% |
| Pacific Northwest | | | | | | | | | | |
| Seattle, WA | 2,504 | 1,046 | 1,049 | (0.3%) | 95.2% | 94.5% | 0.7% | 7,483 | 7,453 | 0.4% |
| Pacific Northwest Average | 2,504 | 1,046 | 1,049 | (0.3%) | 95.2% | 94.5% | 0.7% | 7,483 | 7,453 | 0.4% |
| Northern California | | | | | | | | | | |
| San Jose, CA | 5,099 | 1,430 | 1,436 | (0.4%) | 95.8% | 95.9% | (0.1%) | 20,953 | 21,048 | (0.5%) |
| Oakland-East Bay, CA | 2,090 | 1,219 | 1,220 | (0.1%) | 96.1% | 95.9% | 0.2% | 7,345 | 7,335 | 0.1% |
| San Francisco, CA | 2,015 | 1,654 | 1,656 | (0.1%) | 94.9% | 94.8% | 0.1% | 9,487 | 9,483 | 0.0% |
| Northern California Average | 9,204 | 1,431 | 1,433 | (0.1%) | 95.6% | 95.7% | (0.1%) | 37,785 | 37,866 | (0.2%) |
| Southern California | | | | | | | | | | |
| Orange County, CA | 1,174 | 1,255 | 1,238 | 1.4% | 96.4% | 95.5% | 0.9% | 4,261 | 4,167 | 2.3% |
| San Diego, CA | 1,058 | 1,331 | 1,320 | 0.8% | 94.8% | 96.6% | (1.8%) | 4,002 | 4,041 | (1.0%) |
| Los Angeles, CA | 975 | 1,280 | 1,245 | 2.8% | 96.3% | 97.5% | (1.2%) | 3,606 | 3,548 | 1.6% |
| Southern California Average | 3,207 | 1,288 | 1,266 | 1.7% | 95.8% | 96.5% | (0.7%) | 11,869 | 11,756 | 1.0% |
| Average/Total Established | 28,757 | \$ 1,498 | \$ 1,492 | 0.4% | 95.5% | 95.6% | (0.1%) | \$ 123,373 | \$ 123,022 | 0.3% |

(1) Established Communities are communities with stabilized operating expenses as of January 1, 2004 such that a comparison of 2004 to 2005 is meaningful.

(2) Reflects the effect of concessions amortized over the average lease term.

(3) With concessions reflected on a cash basis, rental revenue from Established Communities increased 0.8% between quarters.

Attachment 6**AvalonBay Communities, Inc.
Summary of Development and Redevelopment Activity as of March 31, 2005**

| | | Number of Communities | Number of Homes | Total Capital Cost (1) (millions) |
|------------------------------------|-----|-----------------------------|-----------------------|---|
| <u>Portfolio Additions:</u> | | | | |
| 2005 Annual Completions | (2) | | | |
| Development | | 7 | 1,971 | \$ 410.1 |
| Redevelopment | (3) | 1 | -- | 4.2 |
| Total Additions | | <u>8</u> | <u>1,971</u> | <u>\$ 414.3</u> |
| 2004 Annual Completions | | | | |
| Development | | 7 | 2,135 | \$ 363.7 |
| Redevelopment | | 1 | -- | 8.3 |
| Total Additions | | <u>8</u> | <u>2,135</u> | <u>\$ 372.0</u> |
| <u>Pipeline Activity:</u> | | | | |
| Currently Under Construction | (2) | | | |
| Development | | 11 | 2,717 | \$ 652.2 |
| Redevelopment | (3) | 4 | -- | 40.3 |
| Subtotal | | <u>15</u> | <u>2,717</u> | <u>\$ 692.5</u> |
| Planning | | | | |
| Development Rights | | 49 | 13,104 | \$ 2,929.0 |
| Total Pipeline | | <u>64</u> | <u>15,821</u> | <u>\$ 3,621.5</u> |

(1) See Attachment #13 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

(2) Information represents projections and estimates.

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

This chart contains forward-looking statements. Please see the paragraph regarding forward-looking statements on the Table of Contents page relating to the Company's Supplemental Operating and Financial Data for the first quarter of 2005.

Attachment 7

**AvalonBay Communities, Inc.
Development Communities as of March 31, 2005**

| Percentage Ownership Upon Completion | # of Apt Homes | Total Capital Cost (1) (millions) | Schedule | | | | Avg Rent Per Home (1) | % Comp (2) | % Leased (3) | % Occ | | |
|--|----------------|-----------------------------------|-----------------|-------------------|----------|--------------------|-----------------------|-----------------|--------------|--------------|------------------|-------|
| | | | Start | Initial Occupancy | Complete | Stabilized Ops (1) | | | | Physical (4) | Economic (1) (5) | |
| Inclusive of Concessions See Attachment #13 | | | | | | | | | | | | |
| Under Construction: | | | | | | | | | | | | |
| 1. Avalon Run East II Lawrenceville, NJ | 100% | 312 | \$ 52.0 | Q2 2003 | Q2 2004 | Q2 2005 | Q4 2005 | \$ 1,665 | 88.5% | 90.4% | 80.1% | 66.6% |
| 2. Avalon Chrystie Place I (6) New York, NY | 20% | 361 | \$ 150.0 | Q4 2003 | Q3 2005 | Q4 2005 | Q2 2006 | \$ 2,845 | N/A | N/A | N/A | N/A |
| 3. Avalon Pines I Coram, NY | 100% | 298 | \$ 48.7 | Q4 2003 | Q4 2004 | Q3 2005 | Q1 2006 | \$ 1,805 | 75.2% | 68.1% | 56.0% | 32.5% |
| 4. Avalon Orange Orange, CT | 100% | 168 | \$ 22.4 | Q1 2004 | Q4 2004 | Q3 2005 | Q4 2005 | \$ 1,535 | 83.3% | 48.2% | 41.1% | 19.2% |
| 5. Avalon Danbury Danbury, CT | 100% | 234 | \$ 35.6 | Q1 2004 | Q1 2005 | Q4 2005 | Q2 2006 | \$ 1,675 | 17.9% | 16.2% | 3.8% | 1.1% |
| 6. Avalon Del Rey (7) Los Angeles, CA | 30% | 309 | \$ 70.0 | Q2 2004 | Q3 2005 | Q1 2006 | Q3 2006 | \$ 1,790 | N/A | N/A | N/A | N/A |
| 7. Avalon at Juanita Village (8) Kirkland, WA | -- | 211 | \$ 45.5 | Q2 2004 | Q3 2005 | Q4 2005 | Q2 2006 | \$ 1,615 | N/A | 3.8% | N/A | N/A |
| 8. Avalon Camarillo Camarillo, CA | 100% | 249 | \$ 42.7 | Q2 2004 | Q3 2005 | Q1 2006 | Q3 2006 | \$ 1,630 | N/A | N/A | N/A | N/A |
| 9. Avalon at Bedford Center Bedford, MA | 100% | 139 | \$ 25.3 | Q4 2004 | Q4 2005 | Q2 2006 | Q4 2006 | \$ 1,900 | N/A | N/A | N/A | N/A |
| 10. Avalon Wilshire Los Angeles, CA | 100% | 123 | \$ 42.0 | Q1 2005 | Q4 2006 | Q1 2007 | Q3 2007 | \$ 2,520 | N/A | N/A | N/A | N/A |
| 11. Avalon at Mission Bay North II (9) San Francisco, CA | 25% | 313 | \$ 118.0 | Q1 2005 | Q4 2006 | Q2 2007 | Q4 2007 | \$ 2,580 | N/A | N/A | N/A | N/A |
| Subtotal/Weighted Average | | <u>2,717</u> | <u>\$ 652.2</u> | | | | | <u>\$ 1,995</u> | | | | |
| Completed this Quarter: | | | | | | | | | | | | |
| 1. Avalon at Crane Brook Danvers & Peabody, MA | 100% | 387 | \$ 55.9 | Q3 2003 | Q2 2004 | Q1 2005 | Q4 2005 | \$ 1,420 | 100.0% | 84.0% | 78.8% | 71.9% |
| Subtotal/Weighted Average | | <u>387</u> | <u>\$ 55.9</u> | | | | | | | | | |
| Total/Weighted Average | | <u>3,104</u> | <u>\$ 708.1</u> | | | | | <u>\$ 1,920</u> | | | | |

Weighted Average Projected NOI as a % of Total Capital Cost (1) (10)

7.6%

Inclusive of Concessions - See Attachment #13

Non-Stabilized Development Communities: (11)

| | | | % Economic Occ (1) (5) | Asset Value, Non-Stabilized Development | |
|--|--------------|-----------------|------------------------|---|-----------------|
| Prior Quarter Completions: | | | | Capital Cost, Prior Quarter Completions | \$ 188.7 |
| Avalon at Glen Cove South, Glen Cove, NY | 256 | 67.3 | | Capital Cost, Current Completions | 55.9 |
| Avalon at Traville, North Potomac, MD | 520 | 70.0 | | Capital Cost, Under Construction | 652.2 |
| Avalon Milford I, Milford, CT | 246 | 31.5 | | Less: Remaining to Invest, Under Construction | |
| Avalon at The Pinehills I, Plymouth, MA | 101 | 19.9 | | Total Remaining to Invest | 286.9 |
| Total | <u>1,123</u> | <u>\$ 188.7</u> | <u>88.3%</u> | Capital Cost, Projected Q2 2005 Starts | (117.0) |
| | | | | | (169.9) |
| | | | | Total Asset Value, Non-Stabilized Development | <u>\$ 726.9</u> |

Q1 2005 Net Operating Income/(Deficit) for communities under construction and non-stabilized development communities was \$4.0 million. See Attachment #13.

- (1) See Attachment #13 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.
- (2) Includes apartment homes for which construction has been completed and accepted by management as of April 15, 2005.
- (3) Includes apartment homes for which leases have been executed or non-refundable deposits have been paid as of April 15, 2005.
- (4) Physical occupancy based on apartment homes occupied as of April 15, 2005.
- (5) Represents Economic Occupancy for the first quarter of 2005.
- (6) The community is financed under a joint venture structure with third-party financing, in which the community is owned by a limited liability company managed by a wholly-owned subsidiary of the Company. The Company's portion of the Total Capital Cost of this joint venture is projected to be \$30.0 million including community-based tax-exempt debt.
- (7) The community is currently owned by a wholly-owned subsidiary of the Company, will be financed, in part or in whole, by a construction loan, and is subject to a joint venture agreement that allows for a joint venture partner to be admitted upon construction completion.
- (8) The community is being developed by a wholly-owned, taxable REIT subsidiary of the Company, and is subject to a venture agreement that provides for the transfer of 100% of the ownership interests upon completion.
- (9) The community is being developed under a joint venture structure and is expected to be financed in part by a construction loan. The Company's portion of the Total Capital Cost of this joint venture is projected to be \$29.5 million including community-based debt.
- (10) The Weighted Average calculation is based on the Company's pro rata share of the Total Capital Cost for each community.
- (11) Represents Development Communities completed in the current quarter and prior quarters that had not achieved Stabilized Operations for the entire current quarter. Estimates are based on the Company's pro rata share of the Total Capital Cost for each community.

This chart contains forward-looking statements. Please see the paragraph regarding forward-looking statements on the Table of Contents page relating to the Company's Supplemental Operating and Financial Data for the first quarter of 2005.

Attachment 8

**AvalonBay Communities, Inc.
Redevelopment Communities (1) as of March 31, 2005**

| Percentage Ownership | # of Apt Homes | Cost (millions) | | Schedule | | | | Avg Rent Per Home (3) | Number of Homes | |
|----------------------|----------------|--------------------------------|---------------------------|-------------|-------|----------|----------------------|-----------------------|-------------------|--------------------------|
| | | Pre-Redevelopment Capital Cost | Total Capital Cost (2)(3) | Acquisition | Start | Complete | Restabilized Ops (3) | | Completed to date | Out of Service @ 3/31/05 |

Inclusive of Concessions
See Attachment #13

Under Redevelopment:

Stabilized Portfolio (4)

| | | | | | | | | | | | |
|--|------|--------------|-----------------|-----------------|---------|---------|---------|---------|-----------------|------------|-----------|
| 1. Avalon at Prudential Center (5) Boston, MA | 100% | 781 | \$ 133.9 | \$ 160.0 | Q3 1998 | Q4 2000 | Q2 2006 | Q4 2006 | \$ 2,645 | 524 | 36 |
| 2. Avalon Towers Long Beach, NY | 100% | 109 | \$ 17.3 | \$ 21.5 | Q3 1995 | Q3 2004 | Q3 2005 | Q3 2005 | \$ 3,330 | -- | -- |
| 3. Avalon at Fairway Hills III (6) Columbia, MD | 100% | 336 | \$ 23.3 | \$ 29.4 | Q3 1996 | Q4 2004 | Q2 2006 | Q4 2006 | \$ 1,300 | 65 | 18 |
| Subtotal | | 1,226 | \$ 174.5 | \$ 210.9 | | | | | \$ 2,340 | 589 | 54 |

Acquisitions (4)

| | | | | | | | | | | | |
|--|-----|--------------|-----------------|-----------------|---------|---------|---------|---------|-----------------|------------|-----------|
| 1. Briarcliffe Lakeside (7) Wheaton, IL | 15% | 204 | \$ 14.5 | \$ 18.4 | Q3 2004 | Q4 2004 | Q1 2006 | Q3 2006 | \$ 935 | 38 | 21 |
| Subtotal | | 204 | \$ 14.5 | \$ 18.4 | | | | | \$ 935 | 38 | 21 |
| Total/Weighted Average | | 1,430 | \$ 189.0 | \$ 229.3 | | | | | \$ 2,140 | 627 | 75 |

Weighted Average Projected NOI as a % of Total Capital Cost (3)

9.8%

Inclusive of Concessions - See Attachment #13

- (1) Redevelopment Communities are communities for which redevelopment costs are expected to exceed 10% of the original acquisition cost or \$5.0 million.
- (2) Inclusive of acquisition cost.
- (3) See Attachment #13 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.
- (4) Stabilized Portfolio Redevelopment Communities have been held for one year or more and have achieved Stabilized Operations before beginning redevelopment . Acquired redevelopments are those communities that begin redevelopment within one year of acquisition.
- (5) In Q2 2003, the scope of this redevelopment was changed to include a roof replacement and other apartment renovations, increasing the redevelopment budget to \$22.2 million from \$20.6 million. In Q4 2003, the scope of this redevelopment was extended to include renovations on all remaining apartments, increasing the redevelopment budget to \$26.1 million.
- (6) This is one of two communities that previously comprised Avalon at Fairway Hills II. In connection with the beginning of its renovation, this community will now be reported separately as Phase III.
- (7) This community was acquired in Q3 2004 and was transferred to a subsidiary of the Company's Investment Management Fund (the "IM Fund") in Q1 2005, reducing the Company's indirect equity interest in the community to 15%.

This chart contains forward-looking statements. Please see the paragraph regarding forward-looking statements on the Table of Contents page relating to the Company's Supplemental Operating and Financial Data for the first quarter of 2005.

Attachment 9

AvalonBay Communities, Inc.
Summary of Development and Redevelopment Community Activity (1) as of March 31, 2005

| DEVELOPMENT (2) | | | | | |
|------------------------|--------------------------------|---|--|-------------------------|--|
| | Apt Homes Completed & Occupied | Total Capital Cost Invested During Period (3) | Cost of Homes Completed & Occupied (4) | Remaining to Invest (5) | Construction in Progress at Period End (6) |
| Total - 2003 Actual | 1,781 | \$ 304,470,471 | \$ 335,364,317 | \$ 325,139,145 | \$ 240,137,497 |
| 2004 Actual: | | | | | |
| Quarter 1 | 345 | \$ 69,258,020 | \$ 61,978,159 | \$ 366,959,227 | \$ 265,153,787 |
| Quarter 2 | 771 | 111,145,634 | 130,021,954 | 254,299,634 | 296,508,756 |
| Quarter 3 | 655 | 53,934,546 | 108,786,193 | 332,143,584 | 264,259,419 |
| Quarter 4 | 410 | 67,845,190 | 67,514,664 | 287,812,355 | 266,548,250 |
| Total - 2004 Actual | 2,181 | \$ 302,183,390 | \$ 368,300,970 | | |
| 2005 Projected: | | | | | |
| Quarter 1 (Actual) | 259 | \$ 60,826,802 | \$ 42,234,312 | \$ 286,946,320 | \$ 294,378,996 |
| Quarter 2 (Projected) | 388 | 100,440,680 | 61,146,848 | 186,505,640 | 322,395,844 |
| Quarter 3 (Projected) | 500 | 55,743,472 | 77,086,950 | 130,762,168 | 241,821,293 |
| Quarter 4 (Projected) | 385 | 43,239,832 | 62,552,781 | 87,522,336 | 172,321,442 |
| Total - 2005 Projected | 1,532 | \$ 260,250,786 | \$ 243,020,891 | | |

| REDEVELOPMENT | | | | |
|------------------------|--------------------------|---|-------------------------|--|
| | Avg Homes Out of Service | Total Capital Cost Invested During Period (3) | Remaining to Invest (5) | Reconstruction in Progress at Period End (6) |
| Total - 2003 Actual | | \$ 8,008,966 | \$ 5,660,027 | \$ 13,045,931 |
| 2004 Actual: | | | | |
| Quarter 1 | 30 | \$ 676,563 | \$ 4,362,256 | \$ 28,533 |
| Quarter 2 | 31 | 887,369 | 7,444,068 | -- |
| Quarter 3 | 38 | 496,577 | 7,132,039 | 865,315 |
| Quarter 4 | 44 | 1,482,707 | 15,710,325 | 2,139,555 |
| Total - 2004 Actual | | \$ 3,543,216 | | |
| 2005 Projected: | | | | |
| Quarter 1 (Actual) | 80 | \$ 2,878,382 | \$ 9,937,853 | \$ 5,963,025 |
| Quarter 2 (Projected) | 92 | 3,552,160 | 6,967,798 | 7,549,232 |
| Quarter 3 (Projected) | 100 | 2,004,435 | 4,963,363 | 9,680,367 |
| Quarter 4 (Projected) | 76 | 1,945,274 | 3,018,089 | 7,897,561 |
| Total - 2005 Projected | | \$ 10,380,251 | | |

- (1) Data is presented for all communities currently under construction or reconstruction and those communities for which construction or reconstruction is expected to begin within the next 90 days.
- (2) Projected periods include data for consolidated joint ventures at 100%. The offset for joint venture partners' participation is reflected as minority interest.
- (3) Represents Total Capital Cost incurred or expected to be incurred during the quarter, year or in total. See Attachment #13 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.
- (4) Represents Total Capital Cost incurred in all quarters of apartment homes completed and occupied during the quarter. Calculated by dividing Total Capital Cost for each Development Community by number of homes for the community, multiplied by the number of homes completed and occupied during the quarter.
- (5) Represents projected Total Capital Cost remaining to invest on communities currently under construction or reconstruction and those for which construction or reconstruction is expected to begin within the next 90 days. Remaining to invest for Q1 2005 includes \$117.0 million attributed to three anticipated Q2 2005 development starts and \$0.6 million related to one anticipated Q2 2005 redevelopment. Remaining to Invest also includes \$8.8 million attributed to Avalon Christie Place I and \$26.8 million attributed to Avalon at Mission Bay North II. The Company's portion of the Total Capital Cost of these joint ventures is projected to be \$30.0 million and \$29.5 million, respectively, including community-based tax-exempt and construction debt.
- (6) Represents period end balance of construction or reconstruction costs. Amount for Q1 2005 includes \$121.0 million related to two unconsolidated joint ventures and one unconsolidated investment in the IM Fund, and is reflected in other assets for financial reporting purposes.

This chart contains forward-looking statements. Please see the paragraph regarding forward-looking statements on the Table of Contents page relating to the Company's Supplemental Operating and Financial Data for the first quarter of 2005.

Attachment 10

**AvalonBay Communities, Inc.
Future Development as of March 31, 2005**

| DEVELOPMENT RIGHTS | | | |
|--|-----|---------------------------------|---|
| Location of Development Right | | Estimated Number of Homes | Total Capital Cost (1) (millions) |
| 1. Newton, MA | (2) | 204 | \$ 63 |
| 2. Coram, NY Phase II | (2) | 152 | 26 |
| 3. Rockville, MD Phase II | (2) | 196 | 30 |
| 4. Lyndhurst, NJ | (2) | 328 | 81 |
| 5. Long Island City, NY Phase II and III | | 602 | 176 |
| 6. New York, NY Phase II and III | (2) | 308 | 142 |
| 7. Dublin, CA Phase I | | 305 | 74 |
| 8. Encino, CA | (2) | 131 | 51 |
| 9. Danvers, MA | | 428 | 80 |
| 10. Woburn, MA | | 446 | 84 |
| 11. New Rochelle, NY Phase II and III | | 588 | 165 |
| 12. Shrewsbury, MA | | 264 | 40 |
| 13. Hingham, MA | | 236 | 44 |
| 14. Glen Cove, NY | (2) | 111 | 34 |
| 15. Plymouth, MA Phase II | | 69 | 13 |
| 16. Andover, MA | (2) | 115 | 21 |
| 17. Quincy, MA | (2) | 148 | 24 |
| 18. Canoga Park, CA | | 209 | 47 |
| 19. Tinton Falls, NJ | | 298 | 51 |
| 20. Wilton, CT | (2) | 100 | 24 |
| 21. Lexington, MA | | 387 | 76 |
| 22. Bellevue, WA | | 368 | 78 |
| 23. West Haven, CT | | 170 | 23 |
| 24. Greenburgh, NY Phase II | | 444 | 112 |
| 25. Kirkland, WA Phase II | | 173 | 48 |
| 26. Seattle, WA | (2) | 194 | 54 |
| 27. Oyster Bay, NY | | 273 | 69 |
| 28. Norwalk, CT | | 312 | 63 |
| 29. College Park, MD | | 320 | 44 |
| 30. Union City, CA Phase I | (2) | 230 | 58 |
| 31. Union City, CA Phase II | (2) | 209 | 54 |
| 32. Irvine, CA | | 290 | 63 |
| 33. Sharon, MA | | 156 | 26 |
| 34. Gaithersburg, MD | | 254 | 41 |
| 35. White Plains, NY | | 403 | 138 |
| 36. Cohasset, MA | | 200 | 38 |
| 37. Dublin, CA Phase II | | 200 | 52 |
| 38. Dublin, CA Phase III | | 205 | 53 |
| 39. Milford, CT | (2) | 284 | 45 |
| 40. Shelton, CT | | 302 | 49 |
| 41. Shelton, CT II | | 171 | 34 |
| 42. Wheaton, MD | (2) | 320 | 56 |
| 43. Alexandria, VA | | 282 | 56 |
| 44. Stratford, CT | (2) | 146 | 23 |
| 45. Plainview, NY | | 220 | 47 |
| 46. Camarillo, CA | | 376 | 55 |
| 47. Yaphank, NY | | 298 | 57 |
| 48. Rockville, MD | (2) | 240 | 46 |
| 49. Tysons Corner, VA | (2) | 439 | 101 |
| Total | | 13,104 | \$ 2,929 |

(1) See Attachment #13 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

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

This chart contains forward-looking statements. Please see the paragraph regarding forward-looking statements on the Table of Contents page relating to the Company's Supplemental Operating and Financial Data for the first quarter of 2005.

Attachment 11

AvalonBay Communities, Inc.
Unconsolidated Real Estate Investments (1) as of March 31, 2005

| Unconsolidated Joint Ventures | Percentage Ownership | # of Apt Homes | AVB Book Value Investment (2) | Outstanding Debt | | | | AVB's Share of Debt |
|---|----------------------|----------------|-------------------------------|-------------------|----------|---------------|---------------|---------------------|
| | | | | Amount | Type | Interest Rate | Maturity Date | |
| AvalonBay Value Added Fund, LP | | | | | | | | |
| 1. Avalon at Redondo Beach Los Angeles, CA | N/A | 105 | N/A | \$ 16,765 | Fixed | 4.84% | Oct 2011 | \$ 2,540 |
| 2. Briarcliffe Lakeside Apartments Chicago, IL | N/A | 204 | N/A | 8,069 | Fixed | 6.90% | Feb 2028 (3) | 1,222 |
| 3. Hobbit's Grove Baltimore, MD | N/A | 170 | N/A | 16,575 | Fixed | 5.25% | Apr 2012 | 2,511 |
| 4. Ravenswood at the Park Seattle, WA | N/A | 400 | N/A | -- | N/A | N/A | N/A | -- |
| Fund corporate debt (4) | N/A | N/A | N/A | 33,000 | Variable | 3.6% | Sep 2005 | 5,000 |
| | <u>15.2%</u> | <u>879</u> | <u>\$ 23,149</u> | <u>\$ 74,409</u> | | | | <u>\$ 11,273</u> |
| Other Operating Joint Ventures | | | | | | | | |
| 1. Avalon Run Lawrenceville, NJ | (5) | 426 | \$ 1,591 | \$ -- | N/A | N/A | N/A | \$ -- |
| 2. Avalon Grove Stamford, CT | (6) | 402 | 9,012 | -- | N/A | N/A | N/A | -- |
| 3. Avalon Bedford Stamford, CT | 25.0% | 388 | 13,131 | 22,500 | Variable | 3.84% | Nov 2005 | 5,625 |
| | | <u>1,216</u> | <u>\$ 23,734</u> | <u>\$ 22,500</u> | | | | <u>\$ 5,625</u> |
| Other Development Joint Ventures | | | | | | | | |
| 1. Avalon Chrystie Place I New York, NY | 20.0% | 361 | \$ 29,832 | \$ 117,000 | Variable | 2.31% | Nov 2036 | \$ 23,400 |
| 2. Mission Bay North II San Francisco, CA | 25.0% | 313 | 5,902 | -- | N/A | N/A | N/A | -- |
| | | <u>674</u> | <u>\$ 35,734</u> | <u>\$ 117,000</u> | | | | <u>\$ 23,400</u> |
| | | <u>2,769</u> | <u>\$ 82,617</u> | <u>\$ 213,909</u> | | | | <u>\$ 40,298</u> |

- (1) Schedule does not include two communities (Avalon at Juanita Village and Avalon Del Rey) that are being developed under joint venture arrangements, but are currently wholly-owned and therefore consolidated for financial reporting purposes.
- (2) These unconsolidated real estate investments are accounted for under the equity method of accounting. AVB Book Value Investment represents the Company's recorded equity investment plus the Company's pro rata share of outstanding debt.
- (3) Debt can be prepaid after February 2008 without penalty.
- (4) Bridge loan to be replaced by a permanent line of credit with a term through January 2008.
- (5) After the venture makes certain distributions to the third-party partner, the Company generally receives 50% of all further distributions.
- (6) After the venture makes certain distributions to the third-party partner, the Company will generally be entitled to receive 40% of all operating cash flow distributions and 49% of all residual cash flow following a sale.

Attachment 12

AvalonBay Communities, Inc.
Summary of Disposition Activity as of March 31, 2005
(Dollars in thousands)

| Number of Communities Sold | Weighted Average Holding Period | Gross Sales Price | GAAP Gain | Accumulated Depreciation and Other | Economic Gain (1) | Weighted Average Initial Year Mkt. Cap Rate (1) | Weighted Average Unleveraged IRR (1) |
|-----------------------------------|---------------------------------------|----------------------|-------------------|--|----------------------|---|--|
| <u>1998:</u> | | | | | | | |
| 9 Communities | | \$ 170,312 | \$ 25,270 | \$ 23,438 | \$ 1,832 | 8.1% | 16.2% |
| <u>1999:</u> | | | | | | | |
| 16 Communities | | \$ 317,712 | \$ 47,093 | \$ 27,150 | \$ 19,943 | 8.3% | 12.1% |
| <u>2000:</u> | | | | | | | |
| 8 Communities | | \$ 160,085 | \$ 40,779 | \$ 6,262 | \$ 34,517 | 7.9% | 15.3% |
| <u>2001:</u> | | | | | | | |
| 7 Communities | | \$ 241,130 | \$ 62,852 | \$ 21,623 | \$ 41,229 | 8.0% | 14.3% |
| <u>2002:</u> | | | | | | | |
| 1 Community | | \$ 80,100 | \$ 48,893 | \$ 7,462 | \$ 41,431 | 5.4% | 20.1% |
| <u>2003:</u> | | | | | | | |
| 12 Communities, 1 Land Parcel (2) | | \$ 460,600 | \$ 184,438 | \$ 52,613 | \$ 131,825 | 6.3% | 13.4% |
| <u>2004:</u> | | | | | | | |
| 5 Communities, 1 Land Parcel | | \$ 250,977 | \$ 122,425 | \$ 19,320 | \$ 103,105 | 4.8% | 16.5% |
| <u>2005:</u> | | | | | | | |
| 2 Communities | | \$ 79,250 | \$ 37,613 | \$ (7,140) | \$ 44,753 | 3.9% | 19.4% |
| 1998 - 2005 Total | 5.5 | \$ 1,760,166 | \$ 569,363 | \$ 150,728 | \$ 418,635 | 6.9% | 15.3% |

(1) See Attachment #13 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

(2) 2003 GAAP gain, for purposes of this attachment, includes \$23,448 related to the sale of a community in which the Company held a 50% membership interest.

Attachment 13

AvalonBay Communities, Inc. Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms

This release, including its attachments, contains certain non-GAAP financial measures and other terms. The definition and calculation of these non-GAAP financial measures and other terms may differ from the definitions and methodologies used by other REITs and, accordingly, may not be comparable. The non-GAAP financial measures referred to below should not be considered an alternative to net income as an indication of our performance. In addition, these non-GAAP financial measures do not represent cash generated from operating activities in accordance with GAAP and therefore should not be considered as an alternative measure of liquidity or as indicative of cash available to fund cash needs.

FFO is determined based on a definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). FFO is calculated by the Company as net income or loss computed in accordance with GAAP, adjusted for gains or losses on sales of previously depreciated operating communities, extraordinary gains or losses (as defined by GAAP), cumulative effect of a change in accounting principle and depreciation of real estate assets, including adjustments for unconsolidated partnerships and joint ventures. Management generally considers FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses related to dispositions of previously depreciated operating communities and excluding real estate depreciation (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help one compare the operating performance of a company's real estate between periods or as compared to different companies. A reconciliation of FFO to net income is as follows (dollars in thousands):

| | Q1 2005 | Q1 2004 |
|--|------------------|------------------|
| Net income | \$ 69,610 | \$ 25,277 |
| Dividends attributable to preferred stock | (2,175) | (2,175) |
| Depreciation - real estate assets, including discontinued operations and joint venture adjustments | 40,950 | 38,497 |
| Minority interest, including discontinued operations | 477 | 326 |
| Cumulative effect of change in accounting principle | -- | (4,547) |
| Gain on sale of operating communities | (37,613) | -- |
| FFO attributable to common stockholders | <u>\$ 71,249</u> | <u>\$ 57,378</u> |
| Average shares outstanding - diluted | 74,258,296 | 72,543,982 |
| EPS - diluted | <u>\$ 0.92</u> | <u>\$ 0.32</u> |
| FFO per common share - diluted | <u>\$ 0.96</u> | <u>\$ 0.79</u> |

Projected FFO, as provided within this release in the Company's outlook, is calculated on a consistent basis as historical FFO, and is therefore considered to be an appropriate supplemental measure to projected net income of projected operating performance. A reconciliation of the range provided for Projected FFO per share (diluted) for the second quarter 2005 to the range provided for projected EPS (diluted) is as follows:

| | Low range | High range |
|---|----------------|----------------|
| Projected EPS (diluted) - Q2 05 | \$ 1.01 | \$ 1.05 |
| Projected depreciation (real estate related) | 0.54 | 0.58 |
| Projected gain on sale of operating communities | (0.70) | (0.74) |
| Projected FFO per share (diluted) - Q2 05 | <u>\$ 0.85</u> | <u>\$ 0.89</u> |

Attachment 13 (continued)

Established Communities are identified by the Company as 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 prior year. Therefore, for 2005, Established Communities are communities that have Stabilized Operations as of January 1, 2004 and are not conducting or planning to conduct substantial redevelopment activities within the current year. Established Communities do not include communities that are currently held for sale or planned for disposition during the current year.

NOI is defined by the Company as total property revenue less direct property operating expenses (including property taxes), and excludes corporate-level income (including management, development and other fees), corporate-level property management and other indirect operating expenses, interest income and expense, general and administrative expense, joint venture income, minority interest and venture partner interest in profit-sharing, depreciation expense, gain on sale of real estate assets, impairment losses, cumulative effect of change in accounting principle and income from discontinued operations. The Company considers NOI to be an appropriate supplemental 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 general and administrative costs. This is more reflective of the operating performance of a community, and allows for an easier comparison of the operating performance of single assets or groups of assets. In addition, because prospective buyers of real estate have different overhead structures, with varying marginal impact to overhead by 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.

A reconciliation of NOI (from continuing operations) to net income, as well as a breakdown of NOI by operating segment, is as follows (dollars in thousands):

| | Q1 2005 | Q1 2004 | Q4 2004 |
|--|-------------------|-------------------|-------------------|
| Net income | \$ 69,610 | \$ 25,277 | \$ 114,069 |
| Property management and other indirect operating expenses | 7,129 | 6,574 | 7,286 |
| Corporate-level other income | (613) | (540) | (167) |
| Investments and investment management | 992 | 841 | 1,207 |
| Interest income | (31) | (20) | (96) |
| Interest expense | 32,153 | 32,195 | 33,522 |
| General and administrative expense | 7,159 | 4,713 | 4,976 |
| Joint venture income, minority interest and venture partner interest in profit-sharing | (6,070) | (19) | (733) |
| Depreciation expense | 41,106 | 38,567 | 40,073 |
| Cumulative effect of change in accounting principle | -- | (4,547) | -- |
| Gain on sale of real estate assets | (37,613) | -- | (87,288) |
| Income from discontinued operations | (886) | (2,606) | (1,958) |
| NOI from continuing operations | <u>\$ 112,936</u> | <u>\$ 100,435</u> | <u>\$ 110,891</u> |
| Established: | | | |
| Northeast | \$ 31,427 | \$ 29,691 | \$ 31,530 |
| Mid-Atlantic | 11,729 | 11,721 | 11,820 |
| Midwest | 1,677 | 1,573 | 1,490 |
| Pacific NW | 4,949 | 4,652 | 4,633 |
| No. California | 26,075 | 25,662 | 25,347 |
| So. California | 8,645 | 8,218 | 8,484 |
| Total Established | <u>84,502</u> | <u>81,517</u> | <u>83,304</u> |
| Other Stabilized | 11,070 | 8,560 | 12,638 |
| Development/Redevelopment | 17,364 | 10,358 | 14,949 |
| NOI from continuing operations | <u>\$ 112,936</u> | <u>\$ 100,435</u> | <u>\$ 110,891</u> |

Attachment 13 (continued)

NOI as reported by the Company does not include the operating results from discontinued operations (i.e., assets sold or held for sale as of March 31, 2005). A reconciliation of NOI from communities sold or held for sale to net income for these communities for the first quarter of 2005 is as follows (dollars in thousands):

| | Q1 2005 |
|-------------------------------------|---------------|
| Income from discontinued operations | \$ 886 |
| Interest expense, net | -- |
| Minority interest expense | -- |
| Depreciation expense | -- |
| NOI from discontinued operations | <u>\$ 886</u> |
| NOI from assets sold | \$ 886 |
| NOI from assets held for sale | -- |
| NOI from discontinued operations | <u>\$ 886</u> |

Projected NOI, as used within this release for certain Development and Redevelopment Communities and in calculating the Initial Year Market Cap Rate for dispositions, represents management's estimate, as of the date of this release (or as of the date of the buyer's valuation in the case of dispositions), of projected stabilized rental revenue minus projected stabilized operating expenses. For Development and Redevelopment Communities, Projected NOI is calculated based on the first year of Stabilized Operations, as defined below, following the completion of construction. In calculating the Initial Year Market Cap Rate, Projected NOI for dispositions 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 (based on leased rents for occupied homes and Market Rents, as defined below, for vacant homes) minus projected economic vacancy and adjusted for concessions. 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. 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.

In this release the Company has not given a projection of NOI on a company-wide basis. Management believes that Projected NOI of the development and redevelopment communities, on an aggregated weighted average basis, assists investors in understanding management's estimate of the likely impact on operations of the Development and Redevelopment Communities (before allocation of any corporate-level property management overhead, general and administrative costs or interest expense) when they are complete and achieve stabilized occupancy. Given the different dates and fiscal years at which stabilization 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 or redevelopment is complex, impractical to develop, and of uncertain meaningfulness. Projected NOI of these communities is not a projection of the Company's financial performance or cash flow. There can be no assurance that the communities under development or redevelopment will achieve the Projected NOI used in the calculation of weighted average Projected NOI to Total Capital Cost.

Market Rents as reported by the Company are based on the current market rates set by the managers of the Company's communities based on their experience in renting their communities' apartments and publicly available market data. Trends in market rents for a region as reported by others could vary. Market Rents for a period are based on the average Market Rents during that period and do not reflect any impact for cash concessions.

Economic Occupancy is defined as total possible revenue less vacancy loss as a percentage of total possible revenue. Total possible revenue is determined by valuing occupied units at contract rates and vacant units at Market Rents. Vacancy loss is determined by valuing vacant units at current Market Rents. By measuring vacant apartments at their Market Rents, Economic Occupancy takes into account the fact that apartment homes of different sizes and locations within a community have different economic impacts on a community's gross revenue.

Attachment 13 (continued)

Rental revenue with concessions on a cash basis is considered by the Company to be a supplemental measure to rental revenue in conformity with GAAP in helping investors to evaluate the impact of both current and historical concessions on GAAP based rental revenue and to more readily enable comparisons to revenue as reported by other companies. In addition, rental revenue (with concessions on a cash basis) allows an investor to understand the historical trend in cash concessions, which is an indicator of current rental market conditions. A reconciliation of rental revenue from Established Communities in conformity with GAAP to rental revenue (with concessions on a cash basis) is as follows (dollars in thousands):

| | Q1 2005 | Q1 2004 | Q4 2004 |
|--|-------------------|-------------------|-------------------|
| Rental revenue (GAAP basis) | \$ 123,373 | \$ 120,483 | \$ 123,022 |
| Concessions amortized | 4,868 | 4,873 | 5,074 |
| Concessions granted | (3,350) | (4,106) | (4,203) |
| Rental revenue (with concessions on a cash basis) | <u>\$ 124,891</u> | <u>\$ 121,250</u> | <u>\$ 123,893</u> |
| % change -- GAAP revenue | | 2.4% | 0.3% |
| % change -- cash revenue | | 3.0% | 0.8% |

Economic Gain is calculated by the Company as the gain on sale in accordance with GAAP, less accumulated depreciation through the date of sale and any other non-cash adjustments that may be required under GAAP accounting. Management generally considers Economic Gain to be an appropriate supplemental measure to gain on sale in accordance with GAAP because it helps investors to understand the relationship between the cash proceeds from a sale and the cash invested in the sold community. The Economic Gain for each of the communities presented is estimated based on their respective final settlement statements. A reconciliation of Economic Gain to gain on sale in accordance with GAAP is presented on Attachment 12.

Initial Year Market Cap Rate is defined by the Company as Projected NOI of a single community for the first 12 months following the date of the buyer's valuation, less estimates for non-routine allowance of approximately \$225 - \$300 per apartment home, divided by the gross sales price for the community. For this purpose, management's projection of stabilized operating expenses for the community includes a management fee of approximately 2.5% - 3.5%. The Initial Year 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 the property. Buyers may assign different Initial Year Market Cap Rates to different communities when determining the appropriate value because they (i) may project different rates of change in operating expenses, including 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 Initial Year Market Cap Rate is weighted based on the gross sales price of each community.

Total Capital Cost includes all capitalized costs projected to be or actually incurred to develop the respective Development or Redevelopment Community, or Development Right, including land acquisition costs, construction costs, real estate taxes, capitalized interest and loan fees, permits, professional fees, allocated development overhead and other regulatory fees, all as determined in accordance with GAAP. With respect to communities where development or redevelopment was completed in a prior 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.

Attachment 13 (continued)

Leverage is calculated by the Company as total debt as a percentage of Total Market Capitalization. Total Market Capitalization represents the aggregate of the market value of the Company's common stock, the market value of the Company's operating partnership units outstanding (based on the market value of the Company's common stock), the liquidation preference of the Company's preferred stock and the outstanding principal balance of the Company's debt. Management believes that Leverage can be one useful measure of a real estate operating company's long-term liquidity and balance sheet strength, because it shows an approximate relationship between a company's total debt and the current total market value of its assets based on the current price at which the company's common stock trades. Changes in Leverage also can influence changes in per share results. A calculation of Leverage as of March 31, 2005 is as follows (dollars in thousands):

| | |
|-----------------------------|---------------------|
| Total debt | <u>\$ 2,408,263</u> |
| Common stock | 4,875,212 |
| Preferred stock | 100,000 |
| Operating partnership units | 32,125 |
| Total debt | <u>2,408,263</u> |
| Total market capitalization | <u>7,415,600</u> |
| Debt as % of capitalization | <u>32.5%</u> |

Because Leverage changes with fluctuations in the Company's stock price, which occurs regularly, the Company's Leverage may change even when the Company's earnings, interest and debt levels remain stable. Investors should also note that the net realizable value of the Company's assets in liquidation is not easily determinable and may differ substantially from the Company's Total Market Capitalization.

Unencumbered NOI as calculated by the Company represents NOI generated by real estate assets unencumbered by outstanding secured debt 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 Company's Interest Coverage, EBITDA and cash flow from operations, 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 quarter ended March 31, 2005 is as follows (dollars in thousands):

| | |
|---|----------------|
| NOI for Established Communities | \$ 84,502 |
| NOI for Other Stabilized Communities | 11,070 |
| NOI for Development/Redevelopment Communities | 17,364 |
| NOI for discontinued operations | <u>886</u> |
| Total NOI generated by real estate assets | <u>113,822</u> |
| NOI on encumbered assets | <u>17,228</u> |
| NOI on unencumbered assets | <u>96,594</u> |
| Unencumbered NOI | <u>84.9%</u> |

Interest Coverage is calculated by the Company as EBITDA from continuing operations divided by the sum of interest expense and preferred dividends net of interest income. Interest Coverage is presented by the Company because it provides rating agencies and investors an additional means of comparing our liquidity to that of other companies. EBITDA is defined by the Company as net income before interest income and expense, income taxes, depreciation and amortization. Under this definition, which complies with the rules and regulations of the Securities and Exchange Commission, EBITDA includes gains on sale of assets and gains on sale of partnership interests.

Attachment 13 (continued)

A reconciliation of EBITDA and a calculation of Interest Coverage for the first quarter of 2005 are as follows (dollars in thousands):

| | |
|---|-------------------|
| Net income | \$ 69,610 |
| Interest income | (31) |
| Interest expense | 32,153 |
| Depreciation expense | <u>41,106</u> |
| EBITDA | <u>\$ 142,838</u> |
| EBITDA from continuing operations | \$ 104,339 |
| EBITDA from discontinued operations | <u>38,499</u> |
| EBITDA | <u>\$ 142,838</u> |
| EBITDA from continuing operations | \$ 104,339 |
| Interest expense | 32,153 |
| Interest income | (31) |
| Dividends attributable to preferred stock | <u>2,175</u> |
| Interest charges | <u>34,297</u> |
| Interest coverage | <u>3.0</u> |

In the calculations of EBITDA above, EBITDA from discontinued operations includes \$37,613 in gain on sale of communities.

Non-Revenue Generating Capex represents capital expenditures that will not directly result in revenue earnings or expense savings.

Stabilized/Restabilized Operations is defined as the earlier of (i) attainment of 95% physical occupancy or (ii) the one-year anniversary of completion of development or redevelopment.

Average Rent per Home, as calculated for certain Development and Redevelopment Communities in lease-up, reflects (i) actual average leased rents for those apartments leased through the end of the quarter net of estimated stabilized concessions, (ii) estimated market rents net of comparable concessions for all unleased apartments and (iii) includes actual and estimated other rental revenue. For Development and Redevelopment Communities not yet in lease-up, Average Rent per Home reflects management's projected rents, including concessions equal to one-half month rent.

Unleveraged IRR on sold communities 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, offset by (iii) the undepreciated capital cost of the communities at the time of sale and (iv) total direct operating expenses during the period owned by the Company. Each of the items (i), (ii), (iii) and (iv) are calculated in accordance with GAAP.

The calculation of Unleveraged IRR does not include an adjustment for the Company's general and administrative expense, interest expense, or corporate-level property management and other indirect operating expenses. Therefore, Unleveraged IRR is not a substitute for net income as a measure of our performance. Management believes that the Unleveraged IRR achieved during the period a community is owned by the Company is useful because it is one indication of the gross value created by the Company's acquisition, development or redevelopment, management and sale of the community, before the impact of indirect expenses and Company overhead. The Unleveraged IRR achieved on the communities as cited in this release should not be viewed as an indication of the gross value created with respect to other communities owned by the Company, and the Company does not represent that it will achieve similar Unleveraged IRRs upon the disposition of other communities. The weighted average Unleveraged IRR for sold communities is weighted based on all cash flows over the holding period for each respective community, including net sales proceeds.