AvalonBay
COMMUNITIES

INVESTOR TELECONFERENCE
PRESENTATION

First Quarter 2022
April 27, 2022

See Appendix for information about forward-looking statements and definitions and reconciliations of non-GAAP financial measures and other terms.

For the reasons described in the referenced forward-looking statements, including the impact of the COVID-19 pandemic and related governmental actions and changes in economic conditions, our historical results may not be indicative of future results.

Participants

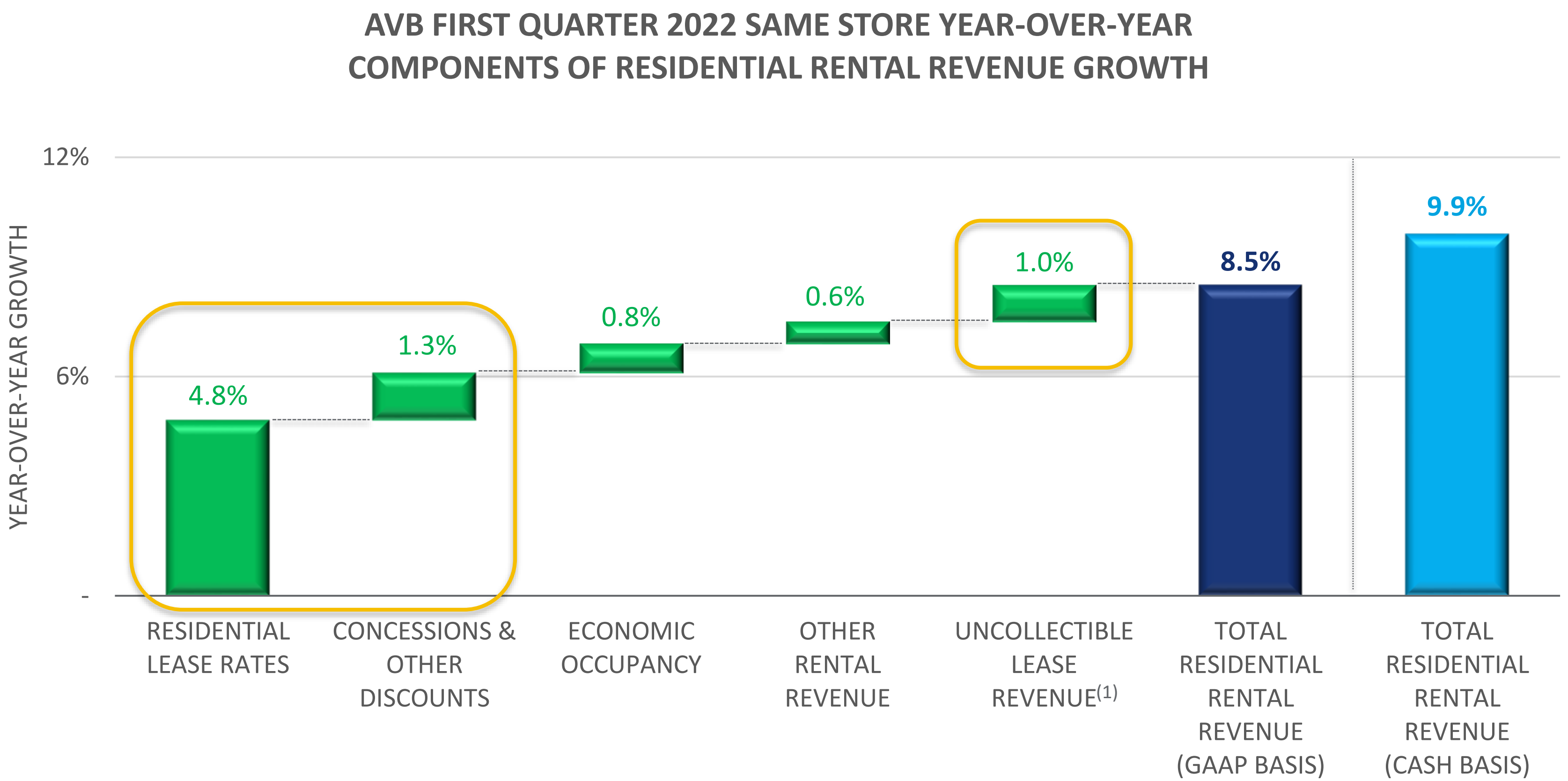
Ben Schall	Chief Executive Officer & President
Kevin O'Shea	Chief Financial Officer
Matt Birenbaum	Chief Investment Officer
Sean Breslin	Chief Operating Officer

Review of Q1 2022 results and activity

2022 RESULTS & ACTIVITY	Q1
CORE FFO PER SHARE YEAR-OVER-YEAR GROWTH	15.9%
SAME STORE RESIDENTIAL RENTAL REVENUE GROWTH	
GAAP BASIS - YEAR-OVER-YEAR | SEQUENTIAL	8.5% | 2.0%
CASH BASIS - YEAR-OVER-YEAR | SEQUENTIAL	9.9% | 1.7%
DEVELOPMENT COMPLETIONS | WTD. AVG. INITIAL PROJECTED STABILIZED YIELD	$ 220M | 6.9%
DEVELOPMENT STARTS	$ 135M
CAPITAL RAISED | WTD. AVG. INITIAL COST OF CAPITAL[1]	$ 270M | 3.8%
Q2 2022 EQUITY FORWARD[2]	$ 495M

Source: Internal company reports.
See Appendix for a reconciliation of Net Income attributable to common shareholders to FFO and to Core FFO.
(1) Capital raised includes net proceeds from all wholly-owned dispositions (including residential condominium sales at The Park Loggia), and distributions from unconsolidated real estate entities. Weighted average initial cost of capital includes all wholly-owned dispositions (including the average imputed carry cost of the residential condominiums at the Park Loggia), only.
(2) In April 2022, in connection with an underwritten offering of shares, the Company entered into forward contracts to sell 2,000,000 shares of common stock by the end of 2023 for approximate proceeds of $495 million net of offering fees and discounts based on the initial forward price. The proceeds that the Company expects to receive on the date or dates of settlement, are subject to certain customary adjustments during the term of the forward contract for the Company's dividends and a daily interest charge.

Q1 Same Store Residential Rental Revenue growth driven by strong effective lease rate growth and lower bad debt, net…



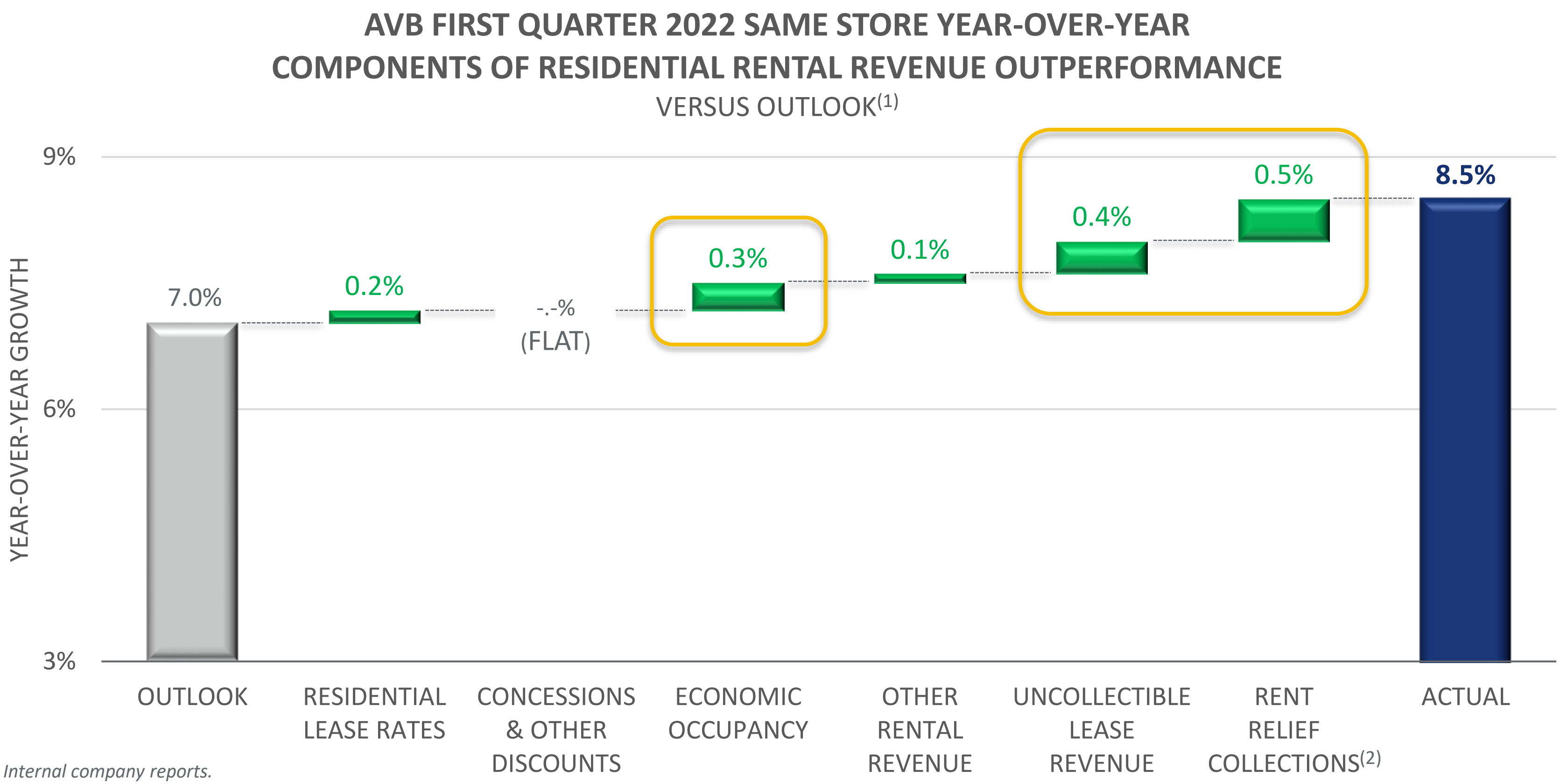
Source: Internal company reports.

The Company amortizes concessions over the term of the lease.

(1) Includes rent relief collections recognized by the Company from the Emergency Rental Assistance Program administered by the U.S. Department of Treasury to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. During the first quarter of 2022, the Company recognized ≈ $13.4 million of rent relief collections for Same Store communities, as compared to ≈ $750 thousand of rent relief collections during the first quarter of 2021.

AvalonBay COMMUNITIES

...AND WAS 150 BASIS POINTS > INITIAL OUTLOOK



Source: Internal company reports.

The Company amortizes concessions over the term of the lease.

(1) Reflects the Company's expectation for first quarter 2022 Same Store Residential rental revenue growth when the Company published its outlook for full year 2022 Same Store Residential rental revenue growth on February 2, 2022.

(2) Rent relief collections recognized by the Company from the Emergency Rental Assistance Program administered by the U.S. Department of Treasury to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. During the first quarter of 2022, the Company recognized ≈ $13.4 million of rent relief collections for Same Store communities, as compared to ≈ $10.8 million of projected rent relief collections for Same Store communities as included in the Company's first quarter 2022 outlook.

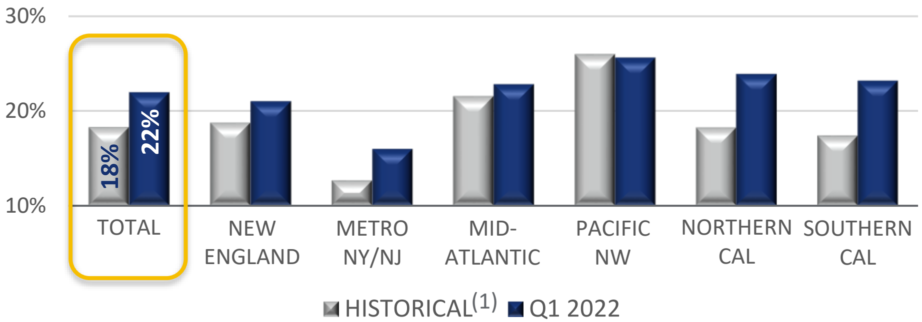
AvalonBay COMMUNITIES

SEVERAL TAILWINDS CONTINUE TO SUPPORT RENT GROWTH IN OUR ESTABLISHED REGIONS

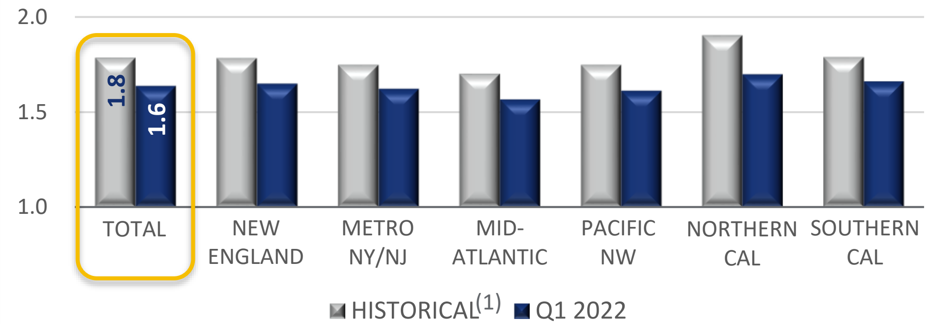
SELECT AVB SAME STORE RESIDENT & HOUSING AFFORDABILITY STATISTICS

ESTABLISHED REGIONS

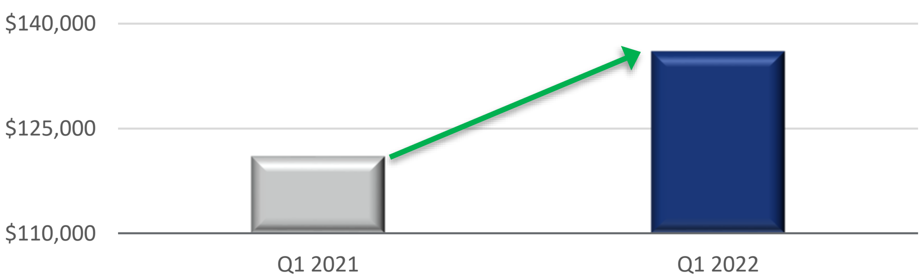
1 IN Q1 2022, TOTAL AVB NEW MOVE-INS FROM > 150 MILES AWAY WERE UP ≈ 400 BASIS POINTS...



2 ...AND DE-DENSIFICATION PROVIDED ADDITIONAL DEMAND WITH ADULTS PER AVB APARTMENT HOME DOWN ≈ 10% FROM PRE-PANDEMIC LEVELS

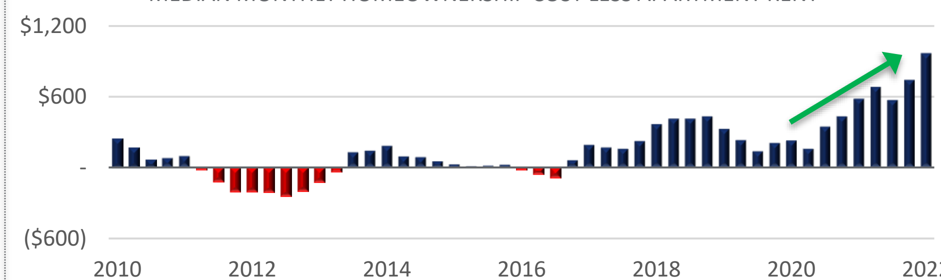


3 MEDIAN HOUSEHOLD INCOME PER AVB ADULT RESIDENT UP ≈ 12% VERSUS THE SAME PERIOD LAST YEAR



4 FAVORABLE RENTAL ECONOMICS VERSUS COST OF HOMEOWNERSHIP

MEDIAN MONTHLY HOMEOWNERSHIP COST LESS APARTMENT RENT(2)

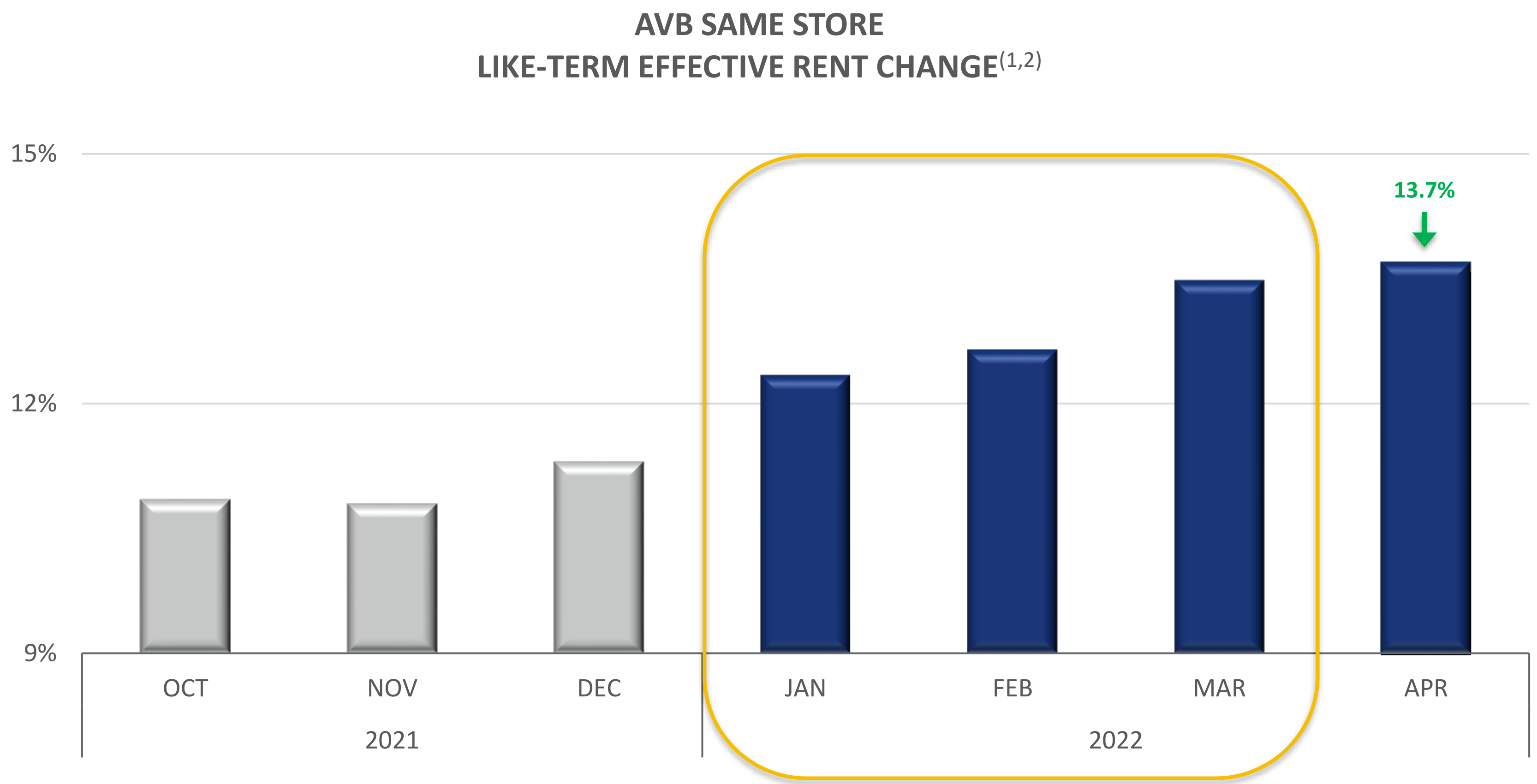


Source: Internal company reports, AVB Market Research Group, Moody's Analytics, National Association of Realtors, Freddie Mac, National Association of Homebuilders, CoStar.

(1) Historical represents the average of the first quarters of 2018, 2019, and 2020..

(2) Based on a median monthly mortgage payment (30-year fixed rate, 20% down payment, average property tax) minus monthly apartment rent (80+ unit buildings).

LIKE-TERM EFFECTIVE RENT CHANGE ACCELERATED THROUGH THE QUARTER



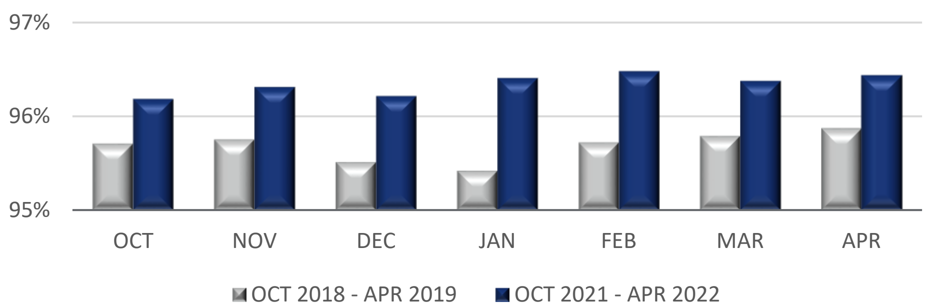
Source: Internal company reports.
(1) Represents the effective rent (net of concessions).
(2) Data as of April 25, 2022.

KEY PORTFOLIO METRICS VERY STRONG HEADING INTO THE PEAK LEASING SEASON

AVB SAME STORE[1]

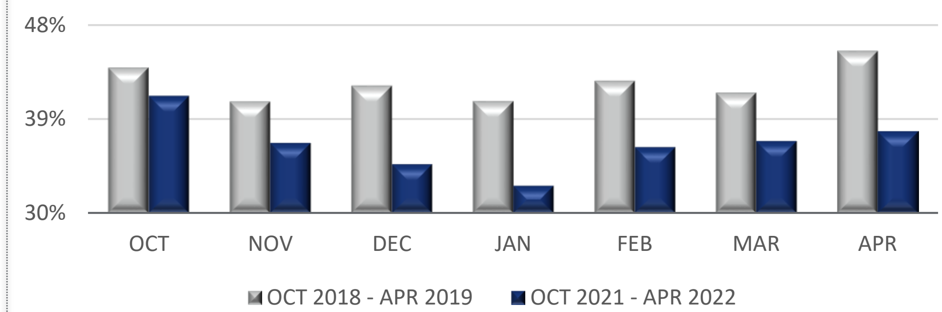
1

OCCUPANCY IS STRONG
AVERAGE PHYSICAL OCCUPANCY



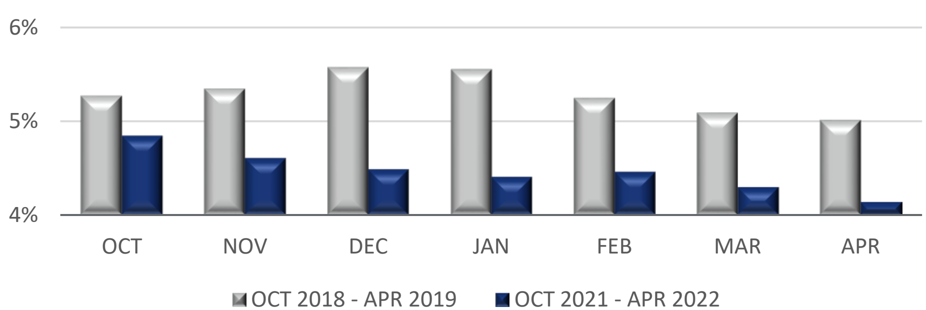
2

TURNOVER AT HISTORICALLY LOW LEVELS
ANNUALIZED TURNOVER



3

AVAILABILITY REMAINS BELOW 5%
30-DAY AVAILABILITY



4

CURRENT LOSS-TO-LEASE ≈ 14%; ASKING RENTS UP ≈ 4% YEAR-TO-DATE
LOSS-TO-LEASE & ASKING RENTS

Source: Internal company reports.

(1) Data as of April 25, 2022.

(2) Represents the percentage difference between the average market rent and average gross potential rent and excludes the impact of regulatory constraints (e.g., rent regulation, rent control, other) that limit rent increases in certain regions.

BULK INTERNET / MANAGED WI-FI, SMART HOME TECHNOLOGY, AND MOBILE MAINTENANCE DEPLOYMENTS EXPECTED TO INCREASE OPERATING EFFICIENCY

BULK INTERNET / MANAGED WI-FI

RELIABLE, HIGH-SPEED INTERNET SERVICES THAT WE BELIEVE WILL PRODUCE MEANINGFUL ECONOMIC RETURNS

TOTAL DEPLOYMENT
YEAR-END 2021
27 COMMUNITIES

TOTAL DEPLOYMENT
END OF Q1 2022
64 COMMUNITIES

PROJECTED TOTAL DEPLOYMENT
YEAR-END 2022
≈ 135 COMMUNITIES

SMART HOME TECHNOLOGY

SMART HOME ACCESS AND SMART HOME DEVICES THAT WE EXPECT WILL IMPROVE OPERATING EFFICIENCIES AND ENHANCE RESIDENT EXPERIENCES

TOTAL DEPLOYMENT
YEAR-END 2021
16 COMMUNITIES

TOTAL DEPLOYMENT
END OF Q1 2022
24 COMMUNITIES

PROJECTED TOTAL DEPLOYMENT
YEAR-END 2022
≈ 65 COMMUNITIES

MOBILE MAINTENANCE

MOBILE-ENABLED MAINTENANCE WORK MANAGEMENT PLATFORM THAT IMPROVES SCHEDULING AND EFFICIENCY

PILOT COMPLETED
YEAR-END 2021
2 COMMUNITIES

TOTAL DEPLOYMENT
END OF Q1 2022
13 COMMUNITES

PROJECTED TOTAL DEPLOYMENT
END OF Q2 2022
ENTIRE PORTFOLIO

ADDITIONAL FUNCTIONAILITY EXPECTED TO BE DEPLOYED

Source: Internal company reports.

AvalonBay
COMMUNITIES

REVIEW OF UPDATED FULL YEAR 2022 OUTLOOK

FULL YEAR 2022 REVISED & INITIAL OUTLOOK[1]	REVISED OUTLOOK	INITIAL OUTLOOK[2]
PROJECTED CORE FFO PER SHARE GROWTH	16.0%	15.6%
SAME STORE COMMUNITIES (*RESIDENTIAL ONLY*)		
RENTAL REVENUE GROWTH	9.0%	8.25%
OPERATING EXPENSE GROWTH	4.75%	4.75%
NET OPERATING INCOME GROWTH	11.0%	10.0%

Source: Internal company reports.
See Appendix for a reconciliation of Projected Net Income attributable to common shareholders to Projected FFO and to Projected Core FFO.
(1) All figures based on the midpoints of the Company's outlook ranges.
(2) Initial outlook provided on February 2, 2022.

AvalonBay COMMUNITIES

NEARLY $700 MILLION OF CURRENT LEASE-UP ACTIVITY EXCEEDING INITIAL EXPECTATIONS AND CREATING SIGNIFICANT VALUE

CURRENT LEASE-UP ACTIVITY(1)	CURRENT PROJECTION	INITIAL PROJECTION	VARIANCE
WTD. AVG. RENT PER HOME	$ 2,750	$ 2,520	$ 230 | 9.1%
WTD. AVG. INITIAL PROJECTED STABILIZED YIELD	6.1%	5.7%	40 BPS

VALUE CREATION FROM CURRENT LEASE-UP ACTIVITY		
PROJECTED ANNUAL INITIAL STABILIZED NOI FROM CURRENT LEASE-UP ACTIVITY	$ 42M	A
MARKET VALUE OF PROJECTED STABILIZED NOI FROM CURRENT LEASE-UP ACTIVITY AT A 4.0% MARKET CAP RATE	1.05B	B = A / 4.0%
LESS: TOTAL CAPITAL COST OF CURRENT LEASE-UP ACTIVITY	(690M)	C
PROJECTED VALUE CREATION	**$ 360M**	D = B + C
PROJECTED VALUE CREATION MARGIN	**52%**	E = D / (C)

Source: Internal company reports.

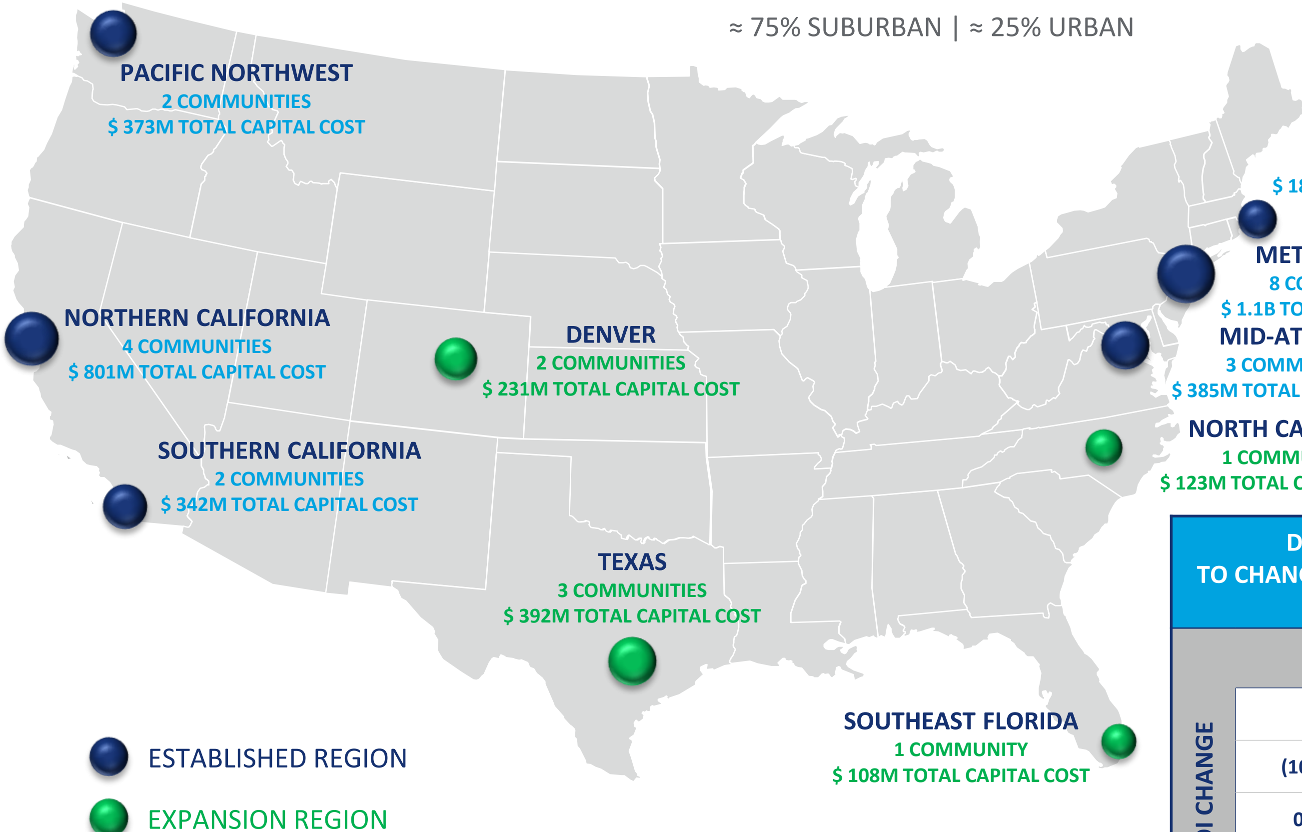
(1) Includes Avalon Harrison, Avalon Brea Place, AVA RiNo, Avalon Foundry Row, and Avalon Woburn, which in the aggregate are expected to be completed for a projected Total Capital Cost of $687 million.

AvalonBay COMMUNITIES

$4 BILLION DEVELOPMENT RIGHTS PIPELINE EXPECTED TO PROVIDE GROWTH OPPORTUNITIES IN ALL REGIONS

AVB DEVELOPMENT RIGHTS PIPELINE BY REGION

≈ 75% SUBURBAN | ≈ 25% URBAN



DEVELOPMENT YIELDS MORE SENSITIVE TO CHANGES IN NOI THAN TO CHANGES IN HARD COSTS

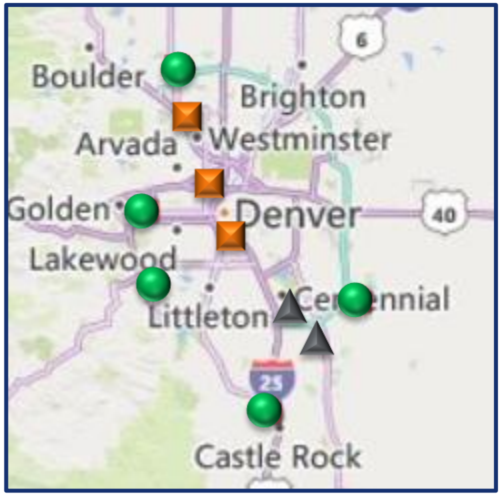
CONCEPTUAL ILLUSTRATION

		HARD COST CHANGE		
		10%	0%	(10%)
NOI CHANGE	(10%)	4.7%	5.0%	5.3%
	0%	5.2%	**5.5%**	5.9%
	10%	5.7%	6.1%	6.4%

Source: Internal company reports.
Bubble size denotes projected Total Capital Cost of Development Right(s).
(1) One Development Right on Long Island (≈ $50 million in projected Total Capital Cost); the remaining Development Rights are in New Jersey.
(2) Assumes hard costs (e.g., materials and labor) comprise 60% of the Total Capital Cost.

AvalonBay COMMUNITIES

CONSTRUCTING DIVERSIFIED PORTFOLIOS FOR LONG-TERM PERFORMANCE IN DENVER AND SE FLORIDA; ≈ $1 BILLION COMMITTED TO EACH MARKET SO FAR

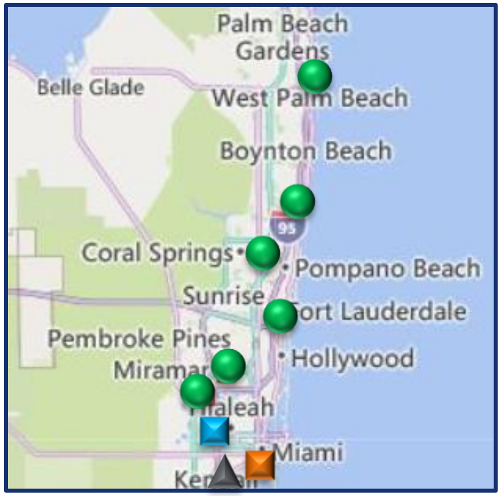


ACQUIRED COMMUNITY

COMPLETED DEVELOPMENT

DEVELOPMENT COMMUNITIES

DEVELOPMENT RIGHTS



DENVER	CURRENT ACTUAL + PROJECTED PORTFOLIO[1]	SOUTHEAST FLORIDA
$ 972M	TOTAL INVESTMENT	$ 999M
2,846	# OF APARTMENT HOMES	2,689
942	AVG. SQ. FT. PER APARTMENT HOME[2]	1,026
3 YEARS	AVG. AGE OF COMMUNITIES[2]	3 YEARS
11.7%	Q1 2022 YEAR-OVER-YEAR SAME STORE RESIDENTIAL RENTAL REVENUE GROWTH	25.3%

Source: Internal company reports.

(1) Total investment, # of apartment homes, and avg. sq. ft. per apartment home include all acquired communities, completed Development, Development Communities and Development Rights. Development Rights include two Development Rights in Denver (689 apartment homes, $ 231 million projected Total Capital Cost), and one Development Right in Southeast Florida (248 apartment homes, $108 million projected Total Capital Cost). Total investment includes acquired communities at purchase price, completed Development at Total Capital Cost, and Development Communities and Development Rights at projected Total Capital Cost.

(2) Weighted based on number of apartment homes. Average age includes all acquired communities, completed Development and current lease-ups (AVA RiNo).

AvalonBay COMMUNITIES

STRUCTURED INVESTMENT PROGRAM ("SIP") INTRODUCTION

- MEZZANINE LENDING AND PREFERRED EQUITY INVESTMENT PROGRAM FOR NEW MULTIFAMILY CONSTRUCTION BY THIRD-PARTY DEVELOPERS THAT OFFERS ATTRACTIVE RISK-ADJUSTED RETURNS

- LEVERAGES LONG-STANDING CORE COMPETENCIES IN DEVELOPMENT, CONSTRUCTION AND OPERATIONS, WHICH MITIGATES RISK AND ARE VALUED BY SPONSORS AND FIRST LENDERS

- ACTIVITY TO BE FOCUSED ON ESTABLISHED REGIONS, AND IN SOUTHEAST FLORIDA AND DENVER

- TARGETING PROGRAM SIZE OF $300 TO $500 MILLION; SCALE OVER TIME BASED ON MARKET CONDITIONS

- TARGETING RETURNS OF ≈ 9% TO 11%; ANTICIPATE THREE-TO-FIVE-YEAR INVESTMENT TERMS

- CLOSED ON THE COMPANY'S FIRST INVESTMENT (≈ $53 MILLION) IN APRIL 2022

Source: Internal company reports.

AvalonBay COMMUNITIES

Key takeaways

- Q1 results exceeded initial expectations; increased full year outlook
- Several tailwinds supporting rent growth in our Established Regions; Same Store portfolio well-positioned for peak leasing season
- Continuing to invest in our operating platform transformation
- Lease-ups creating significant value; Development Rights pipeline up to $4 billion
- ≈ $2 billion of capital now invested/committed(1) to Denver and Southeast Florida; both regions producing very healthy revenue growth
- Closed first SIP investment in April 2022; targeting a $300 to $500 million program with returns in the ≈ 9% to 11% range

Source: Internal company reports.
(1) Includes acquisitions, current Development Communities (at projected Total Capital Cost) in both regions, two Development Rights in Denver ($ 231 million projected Total Capital Cost), and one Development Right in Southeast Florida ($108 million projected Total Capital Cost).

AvalonBay
COMMUNITIES

Forward-Looking Statements

- This presentation dated April 27, 2022 is provided in connection with AvalonBay's first quarter 2022 earnings conference call on April 28, 2022. This presentation is intended to accompany AvalonBay's earnings release dated April 27, 2022 and should be read in conjunction with the earnings release. AvalonBay does not intend to update any of these documents, which speak only as of their respective dates.

- The earnings release is available on AvalonBay's website at www.avalonbay.com/earnings

- For definitions, additional information and reconciliations of non-GAAP financial information and certain defined terms included in this presentation, see pages 18 to 26 in this presentation in addition to Attachment 11 to the earnings release.

- This presentation dated April 27, 2022 contains forward-looking statements, which are indicated by the use of words such as "expects," "projects," "forecast," "outlook," "estimate" and other words that do not relate to historical matters. Actual results may differ materially. For information concerning risks and other factors that could cause such differences, see "Forward-Looking Statements" in AvalonBay's earnings release that accompanies this presentation. The Company does not undertake a duty to update the projections and expectations stated in this presentation, which speak only as of the date of this presentation unless otherwise referenced.

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

Average Rent per Home, as calculated for certain Development communities in lease-up, reflects management's projected stabilized rents net of estimated stabilized concessions, including estimated stabilized other rental revenue and excluding projected commercial revenue. Projected stabilized rents are based on one or more of the following: (i) actual average leased rents on apartments leased through quarter end, (ii) projected rollover rents on apartments leased through quarter end where the lease term expires within the first twelve months of Stabilized Operations and (iii) Market Rents on unleased homes.

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

Development Rights are development opportunities in the early phase of the development process for which the Company either has an option to acquire land or enter into a leasehold interest, for which the Company is the buyer under a long-term conditional contract to purchase land, where the Company controls the land through a ground lease or owns land to develop a new community, or where the Company is the designated developer in a public-private partnership. The Company capitalizes related pre-development costs incurred in pursuit of new developments for which the Company currently believes future development is probable.

Economic Occupancy is defined as total possible Residential revenue less vacancy loss as a percentage of total possible Residential revenue. Total possible Residential revenue (also known as "gross potential") 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.

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

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

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

FFO and Core FFO are considered by management to be supplemental measures of our operating and financial performance. FFO is calculated by the Company in accordance with the definition adopted by Nareit. FFO is calculated by the Company as Net income or loss attributable to common stockholders computed in accordance with GAAP, adjusted for gains or losses on sales of previously depreciated operating communities, cumulative effect of a change in accounting principle, impairment write-downs of depreciable real estate assets, write-downs of investments in affiliates which are driven by a decrease in the value of depreciable real estate assets held by the affiliate and depreciation of real estate assets, including adjustments for unconsolidated partnerships and joint ventures. 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 and financial performance of a company's real estate between periods or as compared to different companies. Core FFO is the Company's FFO as adjusted for non-core items outlined in the table below. By further adjusting for items that are not considered by us to be part of our core business operations, Core FFO can help one compare the core operating and financial performance of the Company between periods. A reconciliation of Net income attributable to common stockholders to FFO and to Core FFO is presented to the right (dollars in thousands):

	Q1 2022	Q1 2021
Net income attributable to common stockholders	$ 262,044	$ 142,223
Depreciation - real estate assets, including joint venture adjustments	200,652	182,314
Distributions to noncontrolling interests	12	12
Gain on sale of previously depreciated real estate	(148,800)	(53,727)
FFO attributable to common stockholders	$ 313,908	$ 270,822
Adjusting items:		
Unconsolidated entity (gains) losses, net	(255)	101
Gain on extinguishment of consolidated debt	-	(122)
Gain on interest rate contract	(729)	(2,654)
Advocacy contributions	150	-
Executive transition compensation costs	402	1,781
Severance related costs	41	-
Development pursuit write-offs and expensed transaction costs, net of recoveries	159	(225)
Gain on for-sale condominiums (1)	(1,002)	(131)
For-sale condominium marketing, operating and administrative costs (1)	766	1,044
For-sale condominium imputed carry cost (2)	919	2,152
Gain on other real estate transactions, net	(37)	(427)
Legal settlements	130	60
Income tax expense (benefit) (3)	2,471	(755)
Core FFO attributable to common stockholders	$ 316,923	$ 271,646
Average shares outstanding - diluted	139,976,082	139,552,413
Earnings per share - diluted	$ 1.87	$ 1.02
FFO per common share - diluted	$ 2.24	$ 1.94
Core FFO per common share - diluted	$ 2.26	$ 1.95

(1) Aggregate impact of (i) Gain on for-sale condominiums and (ii) For-sale condominium marketing, operating and administrative costs, is a net gain of $236 and a net expense of $913 for Q1 2022 and Q1 2021, respectively, as shown on Attachment 1 - Condensed Consolidated Operating Information to the earnings release.
(2) Represents the imputed carry cost of the for-sale residential condominiums at The Park Loggia. The Company computes this adjustment by multiplying the Total Capital Cost of completed and unsold for-sale residential condominiums by the Company's weighted average unsecured debt effective interest rate.
(3) Q1 2022 income tax expense is the recognition of taxes primarily associated with The Park Loggia.

AvalonBay COMMUNITIES

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

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

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

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

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

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

AvalonBay COMMUNITIES

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

	Q1 2022	Q1 2021	Q4 2021
Net income	$ 262,076	$ 142,234	$ 335,298
Property management and other indirect operating expenses, net of corporate income	28,113	24,470	24,555
Expensed transaction, development and other pursuit costs, net of recoveries	987	(170)	1,331
Interest expense, net	56,526	52,613	55,711
(Gain) loss on extinguishment of debt, net	-	(122)	19
General and administrative expense	17,421	17,352	16,481
(Income) loss from investments in unconsolidated entities	(317)	467	(5,626)
Depreciation expense	201,786	183,297	197,036
Income tax expense (benefit)	2,471	(755)	4,299
Casualty and impairment loss	-	-	2
Gain on sale of communities	(148,800)	(53,727)	(213,881)
Gain on other real estate transactions, net	(37)	(427)	(95)
Net for-sale condominium activity	(236)	913	(425)
NOI from real estate assets sold or held for sale	(1,699)	(11,247)	(4,621)
Total NOI	$ 418,291	$ 354,898	$ 410,084
Commercial NOI	(8,320)	(5,311)	(8,045)
Residential NOI	$ 409,971	$ 349,587	$ 402,039
Residential NOI			
Same Store:			
New England	$ 52,478	$ 47,456	$ 52,498
Metro NY/NJ	78,275	71,800	78,091
Mid-Atlantic	55,501	52,721	55,104
Southeast FL	5,965	4,178	5,904
Denver, CO	4,727	4,019	4,486
Pacific NW	23,122	19,560	21,598
N. California	67,807	65,047	67,052
S. California	83,244	71,654	82,887
Total Same Store	$ 371,119	$ 336,435	$ 367,620
Other Stabilized	26,845	9,810	25,081
Development/Redevelopment	12,007	3,342	9,338
Residential NOI	$ 409,971	$ 349,587	$ 402,039

AvalonBay COMMUNITIES

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

Projected FFO and Projected Core FFO, as provided within this presentation in the Company's outlook, are calculated on a basis consistent with historical FFO and Core FFO, and are therefore considered to be appropriate supplemental measures to projected Net Income from projected operating performance. A reconciliation of the ranges provided for Projected FFO per share (diluted) for the second quarter and full year 2022 to the ranges provided for projected EPS (diluted) and corresponding reconciliation of the ranges for Projected FFO per share to the ranges for Projected Core FFO per share are as follows:

	Low Range	High Range
Projected EPS (diluted) - Full Year 2022	$ 6.05	$ 6.45
Depreciation (real estate related)	5.69	5.69
Gain on sale of communities	(2.37)	(2.37)
Projected FFO per share (diluted) - Full Year 2022	$ 9.37	$ 9.77
Adjustments related to residential for-sale condominiums at The Park Loggia (1)	(0.01)	(0.01)
Non-core transaction activity	(0.03)	(0.03)
Development pursuit write-offs and expensed transaction costs, net of recoveries	0.01	0.01
Executive transition compensation costs	0.01	0.01
Income tax expense	0.03	0.03
Projected Core FFO per share (diluted) - Full Year 2022	$ 9.38	$ 9.78

(1) The Park Loggia adjustments relate to the following for the for-sale condominiums: operating expenses incurred, GAAP gain after taxes and cost of sales, and imputed carry costs on unsold homes.

AvalonBay COMMUNITIES

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

Projected NOI, as used within this presentation for certain Development communities and in calculating the Market Cap Rate for dispositions, represents management's estimate, as of the date of this presentation (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 communities, Projected NOI is calculated based on the first twelve months of Stabilized Operations following the completion of construction. In calculating the 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 minus projected stabilized economic vacancy and adjusted for projected stabilized concessions plus projected stabilized other rental revenue. Projected stabilized operating expenses do not include interest, income taxes (if any), depreciation or amortization, or any allocation of corporate-level property management overhead or general and administrative costs. In addition, projected stabilized operating expenses for Development communities do not include property management fee expense. Projected gross potential for Development communities and dispositions is generally based on leased rents for occupied homes and management's best estimate of rental levels for homes which are currently unleased, as well as those homes which will become available for lease during the twelve month forward period used to develop Projected NOI. The weighted average Projected NOI as a percentage of Total Capital Cost ("Weighted Average Initial Projected Stabilized Yield") is weighted based on the Company's share of the Total Capital Cost of each community, based on its percentage ownership. Management believes that Projected NOI of the Development communities, on an aggregated weighted average basis, assists investors in understanding management's estimate of the likely impact on operations of the Development communities when the assets are complete and achieve stabilized occupancy (before allocation of any corporate-level property management overhead, general and administrative costs or interest expense). However, in this presentation the Company has not given a projection of NOI on a company-wide basis. Given the different dates and fiscal years for which NOI is projected for these communities, the projected allocation of corporate-level property management overhead, general and administrative costs and interest expense to communities under development is complex, impractical to develop, and may not be meaningful. Projected NOI of these communities is not a projection of the Company's overall financial performance or cash flow. There can be no assurance that the communities under development will achieve the Projected NOI as described in this presentation.

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

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

Residential Rental Revenue with Concessions on a Cash Basis is considered by the Company to be a supplemental measure to Residential rental revenue in conformity with GAAP to help investors evaluate the impact of both current and historical concessions on GAAP-based Residential rental revenue and to more readily enable comparisons to revenue as reported by other companies. In addition, Residential Rental Revenue with Concessions on a Cash Basis allows an investor to understand the historical trend in cash concessions.

A reconciliation of Same Store Residential rental revenue in conformity with GAAP to Residential Rental Revenue with Concessions on a Cash Basis is as follows (dollars in thousands):

	Q1 2022	Q1 2021	Q4 2021
Residential rental revenue (GAAP basis)	$ 540,389	$ 498,069	$ 529,795
Residential concessions amortized	8,306	15,068	11,929
Residential concessions granted	(2,373)	(16,130)	(4,478)
Residential Rental Revenue with Concessions on a Cash Basis	$ 546,322	$ 497,007	$ 537,246

	Q1 2022 vs. Q1 2021	Q1 2022 vs. Q4 2021
% change -- GAAP revenue	8.5%	2.0%
% change -- cash revenue	9.9%	1.7%

Same Store is composed of consolidated communities in the markets where the Company has a significant presence and where a comparison of operating results from the prior year to the current year is meaningful, as these communities were owned and had Stabilized Operations, as defined below, as of the beginning of the respective prior year period. Therefore, for 2022 operating results, Same Store is composed of consolidated communities that have Stabilized Operations as of January 1, 2021, are not conducting or are not probable to conduct substantial redevelopment activities and are not held for sale or probable for disposition within the current year.

AvalonBay COMMUNITIES

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

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

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

Turnover is the annualized number of units turned over during the period, divided by the total number of Same Store apartment homes for the respective period.

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