

September 9, 2014



AvalonBay Communities, Inc. Announces Offering of Common Stock

ARLINGTON, Va.--(BUSINESS WIRE)-- **AvalonBay Communities, Inc. (NYSE: AVB)** (the “Company”) announced today the commencement of a public offering of up to approximately 4,500,000 shares of its common stock on a forward basis in connection with the forward sale agreement described below. The underwriters are expected to have a 30-day option to purchase up to an additional 675,000 shares of the Company’s common stock (the “Option to Purchase Additional Shares”). Goldman, Sachs & Co. is acting as the book-running manager for the offering.

The Company expects to use the net proceeds, if any, received upon the settlement of the forward sale agreement described below to fund the development, redevelopment and acquisition of apartment communities and for working capital, capital expenditures and other general corporate purposes, which may include repayment and refinancing of debt. Pending such uses, the Company will invest the net proceeds, if any, in short-term securities.

In connection with the offering of shares of its common stock, the Company expects to enter into a forward sale agreement with Goldman, Sachs & Co. (which we refer to in this capacity as the forward purchaser), with respect to approximately 4,500,000 of shares of its common stock covered by the offering. The forward purchaser or its affiliate is expected to borrow from third parties and sell to the public through the underwriters up to approximately 4,500,000 shares of the Company’s common stock. If the Option to Purchase Additional Shares is exercised, the Company may elect, in its sole discretion but subject to certain conditions, to fulfill its obligation under the Option to Purchase Additional Shares by issuing such additional shares of common stock directly to the underwriters or, in the alternative, the Company may elect that such additional shares of common stock shall be sold by the forward purchaser or its affiliate to the underwriters (in which case the Company will enter into an additional forward sale agreement with the forward purchaser in respect of the number of shares that are subject to the Option to Purchase Additional Shares).

Pursuant to the terms of the forward sale agreement, and subject to its right to elect cash or net share settlement, the Company intends to issue and sell, upon physical settlement of such forward sale agreement, up to an aggregate of 4,500,000 shares of its common stock to the forward purchaser (assuming no exercise of the Option to Purchase Additional Shares).

The Company expects to physically settle the forward sale agreement in full, which settlement will occur on one or more dates no later than September 8, 2015.

A preliminary prospectus supplement and accompanying prospectus relating to the offering will be filed with the Securities and Exchange Commission. A copy of the preliminary prospectus supplement and accompanying prospectus relating to the offering may be obtained from: Goldman, Sachs & Co., Attn: Prospectus Department, 200 West Street, New York, NY 10282, telephone: (866) 471-2526, facsimile: (212) 902-9316, or email: prospectus-ny@ny.email.gs.com.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor will there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale is not permitted. A registration statement relating to these securities has been filed with the Securities and Exchange Commission and is effective. Any offer or sale will be made only by means of a prospectus, a related preliminary prospectus supplement and, to the extent applicable, a free writing prospectus which has or will be filed with the Securities and Exchange Commission.

About AvalonBay Communities, Inc.

The Company 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. As of June 30, 2014, the Company owned or held a direct or indirect ownership interest in 275 apartment communities containing 82,348 apartment homes in twelve states and the District of Columbia, of which 32 communities were under construction and six communities were under reconstruction.

Forward-Looking Statements

This release contains forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements, which you can identify by the Company's use of words such as "expects," "plans," "estimates," "anticipates," "projects," "intends," "believes," "outlook" and similar expressions that do not relate to historical matters, are based on the Company's expectations, forecasts and assumptions at the time of this release, which may not be realized and involve risks and uncertainties that cannot be predicted accurately or that might not be anticipated. These could cause actual results to differ materially from those expressed or implied by the forward-looking statements. Risks and uncertainties that might cause such differences include the following, among others: we may abandon development or redevelopment opportunities for which we have already incurred costs; adverse capital and credit market conditions may affect our access to various sources of capital and/or cost of capital, which may affect our business activities, earnings and common stock price, among other things; 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; 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 or may not be available on favorable terms; we may be unable to obtain, or experience delays in obtaining,

necessary governmental permits and authorizations; expenses may result in communities that we develop or redevelop failing to achieve expected profitability; our assumptions concerning risks relating to our lack of control of joint ventures and our abilities to successfully dispose of certain assets may not be realized; our assumptions and expectations in our financial outlook may prove to be too optimistic. Additional discussions of risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements appear in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 under the heading "Risk Factors" and under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Forward-Looking Statements" and in subsequent quarterly reports on Form 10-Q. The Company does not undertake a duty to update forward-looking statements.

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