PRESS RELEASE

For Immediate News Release
April 26, 2017

AVALONBAY COMMUNITIES, INC. ANNOUNCES FIRST QUARTER 2017 OPERATING RESULTS

(Arlington, VA) AvalonBay Communities, Inc. (NYSE: AVB) (the "Company") reported today that Net Income Attributable to Common Stockholders for the three months ended March 31, 2017 was $235,875,000. This resulted in a decrease in Earnings per Share – diluted ("EPS") of 0.6% to $1.72 for the three months ended March 31, 2017, from $1.73 for the prior year period.

Funds from Operations attributable to common stockholders - diluted ("FFO") per share for the three months ended March 31, 2017 decreased 1.4% to $2.04 from $2.07 for the prior year period.

Core FFO per share (as defined in this release) for the three months ended March 31, 2017 increased 6.1% to $2.09 from $1.97 for the prior year period.

The changes in the Company's EPS, FFO per share and Core FFO per share reflect an increase in Net Operating Income ("NOI") from existing, acquired and newly developed operating communities for the three months ended March 31, 2017 over the prior year period, partially offset by an increase in interest expense. The decreases in EPS and FFO per share were also due to a casualty and impairment loss in the current year period as compared to a gain in the prior year period. The change in EPS was also due to an increase in depreciation expense, partially offset by an increase in wholly-owned real estate sales and related gains.

The following table compares the Company's actual results for EPS, FFO per share and Core FFO per share for the first quarter of 2017 to its February 2017 outlook:

First Quarter 2017 Results
Comparison to February 2017 Outlook

	Per Share		
	EPS	FFO	Core FFO
Projected per share - February 2017 outlook (1)	$ 1.78	$ 2.12	$ 2.09
Established Community revenue	0.01	0.01	0.01
General and administrative expense	(0.01)	(0.01)	(0.01)
Casualty and impairment loss	(0.08)	(0.08)	—
Gain on sale of real estate	0.02	—	—
Q1 2017 per share reported results	$ 1.72	$ 2.04	$ 2.09

(1) The mid-point of the Company's February 2017 outlook.

Operating Results for the Three Months Ended March 31, 2017 Compared to the Prior Year Period

For the Company, total revenue increased by $13,828,000, or 2.7%, to $522,326,000. This increase is primarily due to growth in revenue from stabilized operating communities and Development Communities.

For Established Communities, Average Rental Rates increased 3.1% and Economic Occupancy increased 0.1%, resulting in an increase in rental revenue of 3.2%. If the Company were to include current and previously completed Redevelopment Communities as part of its Established Communities portfolio, the increase in Established Communities' rental revenue would have been 3.4%. Total revenue for Established Communities increased $11,936,000, or 3.2%, to $388,908,000. Operating expenses for Established Communities increased $1,620,000, or 1.5%, to $112,802,000. NOI for Established Communities increased $10,316,000, or 3.9%, to $276,106,000.

The following table reflects the percentage changes in rental revenue, operating expenses and NOI for Established Communities for the three months ended March 31, 2017 compared to the three months ended March 31, 2016:

Q1 2017 Compared to Q1 2016

	Rental Revenue				
	Avg Rent Rates	Ec Occ	Opex (1)	NOI	% of NOI (2)
New England	2.5%	0.5 %	2.5 %	3.3%	13.9%
Metro NY/NJ	2.8%	0.2 %	1.1 %	3.8%	23.8%
Mid-Atlantic	2.3%	0.5 %	0.8 %	3.7%	15.7%
Pacific NW	6.1%	0.0 %	8.7 %	5.2%	5.4%
No. California	2.2%	0.1 %	3.2 %	2.0%	20.5%
So. California	4.5%	(0.5)%	(1.7)%	6.2%	20.7%
Total	3.1%	0.1 %	1.5 %	3.9%	100.0%

(1) See Attachment 6, Operating Expenses ("Opex"), for discussion of variances.

(2) Represents each region's % of total NOI for Q1 2017, including amounts related to communities that have been sold or that are classified as held for sale.

Development Activity

During the three months ended March 31, 2017, the Company completed the development of the following communities, one of which is dual-branded:

- Avalon Willoughby Square/AVA DoBro, located in Brooklyn, NY;
- Avalon Huntington Beach, located in Huntington Beach, CA; and
- Avalon Laurel, located in Laurel, MD.

These communities contain an aggregate of 1,548 apartment homes and were constructed for an aggregate Total Capital Cost of $648,800,000.

At March 31, 2017, the Company had 24 communities under construction, which in the aggregate are expected to contain 7,581 apartment homes and be completed for an estimated Total Capital Cost of $3,348,300,000, including the Company's share of joint ventures.

During the three months ended March 31, 2017, the Company added four Development Rights which, if developed as expected, will contain 1,191 apartment homes and will be developed for an estimated Total Capital Cost of $387,000,000.

The projected Total Capital Cost of Development Rights increased to $3.4 billion at March 31, 2017 from $3.0 billion at December 31, 2016.

Disposition Activity

Consolidated Apartment Communities

During the three months ended March 31, 2017, the Company sold Avalon Pines, a wholly-owned operating community, and the adjacent golf course, located in Coram, NY. Avalon Pines, which contains 450 apartment homes, and the golf course were sold for $140,000,000, resulting in a gain in accordance with GAAP of $87,949,000 and an Economic Gain of $58,459,000. Avalon Pines generated an Unleveraged IRR of 12.5% over a weighted average investment period of 11.2 years.

Unconsolidated Real Estate Investments

During the three months ended March 31, 2017, AvalonBay Value Added Fund II, L.P. ("Fund II"), a private discretionary real estate investment vehicle in which the Company holds an equity interest of approximately 31.3%, sold one community containing 684 apartment homes for a sales price of $117,000,000. The Company's share of the gain in accordance with GAAP was $8,697,000. In addition, the Company recognized $6,765,000 in joint venture income associated with its promoted interest in Fund II. In conjunction with the disposition, Fund II repaid $63,200,000 of related secured indebtedness at par in advance of the scheduled maturity date.

Liquidity and Capital Markets

At March 31, 2017, the Company did not have any borrowings outstanding under its $1,500,000,000 unsecured credit facility, and had $368,720,000 in unrestricted cash and cash in escrow.

The Company's annualized Net Debt-to-Core EBITDA for the first quarter of 2017 was 5.0 times.

During the three months ended March 31, 2017, the Company entered into a $250,000,000 variable rate unsecured term loan, of which $100,000,000 matures in February 2022 with stated pricing of LIBOR plus 0.90%, and $150,000,000 matures in February 2024 with stated pricing of LIBOR plus 1.50%. At March 31, 2017, the Company had not drawn any of the amounts available under the term loan. The Company expects to draw the $250,000,000 available by the end of April 2017.

During the three months ended March 31, 2017, the Company repaid a $17,300,000 variable rate secured mortgage note at its scheduled maturity date.

Under the current continuous equity program established in December 2015, the Company sold 306,177 shares of common stock at an average sales price of $186.44 per share, for net proceeds of $56,228,000, during the three months ended March 31, 2017.

Casualty and Impairment Loss

In February 2017, a fire occurred at the Company's Avalon Maplewood Development Community, located in Maplewood, NJ ("Maplewood"), which was under construction and not yet occupied. During the three months ended March 31, 2017, the Company recognized a casualty loss that was partially offset by expected property damage insurance proceeds, a portion of which were received, resulting in a net casualty loss of $2,338,000.

In addition, during the three months ended March 31, 2017, the Company recognized an impairment charge of $9,350,000 relating to a land parcel which the Company had acquired in 2004 for development and no longer intends to develop.

Second Quarter 2017 Financial Outlook

For its second quarter 2017 financial outlook, the Company expects the following:

Projected EPS, Projected FFO and Projected Core FFO Outlook (1)

	Q2 2017		
	Low		High
Projected EPS	$1.50	-	$1.56
Projected FFO per share	$2.18	-	$2.24
Projected Core FFO per share	$2.07	-	$2.13

(1) See Attachment 12 for reconciliations of Projected FFO per share and Projected Core FFO per share to Projected EPS.

In its full year 2017 outlook for EPS published in its earnings release dated February 1, 2017, the Company contemplated gains on sale from the disposition of operating communities of $2.02 per share for the year. Due to a change in the composition of the Company's disposition plan, the Company now contemplates gains on sale from the disposition of operating communities of $1.80 per share. Gains on sale of operating communities impact earnings per share but do not impact FFO/share or Core FFO/share. The impairment charge of $0.08 per share in the first quarter of 2017 as reported in this release was not contemplated in the Company's February 2017 outlook and will impact EPS and FFO/share but not Core FFO/share for 2017.

Second Quarter Conference Schedule

The Company is scheduled to participate in the NAREIT Institutional Investor Forum in New York, NY, from June 6 - 8, 2017. During this conference, management may discuss the Company's current operating environment; operating trends; development, redevelopment, disposition and acquisition activity; portfolio strategy and other business and financial matters affecting the Company. Details on how to access related materials will be available beginning June 6, 2017 on the Company's website at http:// www.avalonbay.com/events.

Other Matters

The Company will hold a conference call on April 27, 2017 at 1:00 PM ET to review and answer questions about this release, its first quarter 2017 results, the Attachments (described below) and related matters. To participate on the call, dial 888-601-3864 domestically and 913-312-0653 internationally and use conference id: 4716119.

To hear a replay of the call, which will be available from April 27, 2017 at 6:00 PM ET to May 4, 2017 at 6:00 PM ET, dial 888-203-1112 domestically and 719-457-0820 internationally and use conference id: 4716119. 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 seven 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 at http://www.avalonbay.com/earnings. To receive future press releases via e-mail, please submit a request through http://www.avalonbay.com/email.

In addition to the Attachments, the Company is providing a teleconference presentation that will be available on the Company's website at http://www.avalonbay.com/earnings subsequent to this release and before the market opens on April 27, 2017. These supplemental materials will be available on the Company's website for 30 days following the earnings call.

About AvalonBay Communities, Inc.

As of March 31, 2017, the Company owned or held a direct or indirect ownership interest in 284 apartment communities containing 82,533 apartment homes in 10 states and the District of Columbia, of which 24 communities were under development and nine communities were under redevelopment. The Company is an equity REIT in the business of developing, redeveloping, acquiring and managing apartment communities in leading metropolitan areas in New England, the New York/New Jersey Metro area, the Mid-Atlantic, the Pacific Northwest, and the Northern and Southern California regions of the United States. More information may be found on the Company's website at http://www.avalonbay.com. For additional information, please contact Jason Reilley, Senior Director of Investor Relations at 703-317-4681.

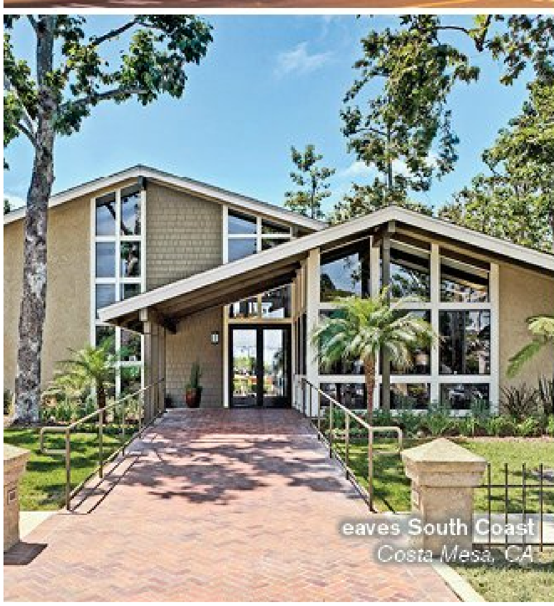
Forward-Looking Statements

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. 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; and the Company's expectations and assumptions as of the date of this release regarding potential uninsured loss amounts and on-going investigations resulting from the casualty loss at Avalon at Edgewater ("Edgewater") are subject to change and could materially affect the Company's current expectations regarding the impact of the fire. 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, 2016 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, including its expected 2017 operating results and other financial data forecasts contained in this release. 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.

Definitions and Reconciliations

Non-GAAP financial measures and other capitalized terms, as used in this earnings release, are defined and further explained on Attachment 12, Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms. Attachment 12 is included in the full earnings release available at the Company's website at http://www.avalonbay.com/earnings.



FIRST QUARTER 2017

Supplemental Operating and Financial Data

AvalonBay offers three distinct brands – **Avalon**, **AVA** and **eaves by Avalon** - each targeted to different customer segments with unique needs and preferences. This brand portfolio helps us reach new customers and better serve our existing residents.

AvalonBay COMMUNITIES

FIRST QUARTER 2017

Supplemental Operating and Financial Data

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The following is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The projections and estimates contained in the following attachments, including but not limited to Attachments 3, 7, 8 and 12, 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 are discussed in the paragraph titled "Forward-Looking Statements" in the release that accompanies these attachments. Among other risks, 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, 2016 and the Company's Quarterly Reports on Form 10-Q for subsequent quarters, could cause actual results to differ materially from such projections and estimates.

Attachment 1

AvalonBay Communities, Inc.
Detailed Operating Information
March 31, 2017
(Dollars in thousands except per share data)
(unaudited)

	Q1 2017	Q1 2016	% Change
Revenue:			
Rental and other income (1)	$ 521,126	$ 506,974	2.8 %
Management, development and other fees	1,200	1,524	(21.3)%
Total	522,326	508,498	2.7 %
Operating expenses:			
Direct property operating expenses, excluding property taxes	104,233	97,387	7.0 %
Property taxes	52,930	50,067	5.7 %
Property management and other indirect operating expenses	17,490	18,094	(3.3)%
Total operating expenses	174,653	165,548	5.5 %
Interest expense, net	(49,295)	(43,410)	13.6 %
General and administrative expense	(13,226)	(11,441)	15.6 %
Joint venture income (2)	16,672	27,969	(40.4)%
Investments and investment management	(1,321)	(1,145)	15.4 %
Expensed acquisition, development and other pursuit costs, net of recoveries	(728)	(3,462)	(79.0)%
Depreciation expense	(140,621)	(127,216)	10.5 %
Casualty and impairment (loss) gain, net (3)	(11,688)	2,202	N/A
Gain on sale of communities	87,949	51,430	71.0 %
Gain on sale of other real estate	366	—	100.0 %
Net income	235,781	237,877	(0.9)%
Net loss attributable to noncontrolling interests	94	54	74.1 %
Net income attributable to common stockholders	$ 235,875	$ 237,931	(0.9)%
Net income attributable to common stockholders per common share - basic	$ 1.72	$ 1.73	(0.6)%
Net income attributable to common stockholders per common share - diluted	$ 1.72	$ 1.73	(0.6)%
Funds from Operations (4)	$ 280,197	$ 284,587	(1.5)%
Per common share - diluted	$ 2.04	$ 2.07	(1.4)%
Core FFO (4)	$ 287,372	$ 271,034	6.0 %
Per common share - diluted	$ 2.09	$ 1.97	6.1 %
Dividends declared - common	$ 195,657	$ 185,168	5.7 %
Per common share	$ 1.42	$ 1.35	5.2 %
Average shares and participating securities outstanding - basic	137,448,610	137,149,999	0.2 %
Average shares outstanding - diluted	137,531,242	137,383,044	0.1 %
Total outstanding common shares and operating partnership units	137,794,100	137,169,607	0.5 %

(1) Amount for the three months ended March 31, 2016 includes $20,306 of business interruption insurance proceeds related to the Edgewater casualty loss.

(2) Joint venture income includes amounts related to disposition activity as well as amounts earned for the Company's promoted interest. Refer to Attachment 9 for additional details.

(3) Amount for the three months ended March 31, 2017 includes an impairment change for a land parcel the Company had acquired for development and no longer intends to develop and the Maplewood casualty loss, partially offset by expected property damage insurance proceeds. Amount for the three months ended March 31, 2016 includes insurance proceeds net of casualty losses, partially offset by impairment charges for ancillary land parcels.

(4) See Attachment 12 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

Attachment 2

AvalonBay Communities, Inc.
Condensed Consolidated Balance Sheets
March 31, 2017
(Dollars in thousands)
(unaudited)

	March 31, 2017	December 31, 2016
Real estate	$ 19,024,396	$ 18,789,225
Less accumulated depreciation	(3,852,593)	(3,743,632)
Net operating real estate	15,171,803	15,045,593
Construction in progress, including land	1,791,134	1,882,262
Land held for development	103,954	84,293
Real estate assets held for sale, net	—	20,846
Total real estate, net	17,066,891	17,032,994
Cash and cash equivalents	121,705	214,994
Cash in escrow (1)	247,015	114,983
Resident security deposits	32,167	32,071
Investments in unconsolidated real estate entities	183,403	175,116
Other assets	327,240	297,113
Total assets	$ 17,978,421	$ 17,867,271
Unsecured notes, net	$ 4,464,546	$ 4,463,302
Unsecured credit facility	—	—
Notes payable, net	2,541,183	2,567,578
Resident security deposits	57,183	57,023
Liabilities related to real estate assets held for sale	—	808
Other liabilities	640,109	599,378
Total liabilities	7,703,021	7,688,089
Redeemable noncontrolling interests	8,778	7,766
Equity	10,266,622	10,171,416
Total liabilities and equity	$ 17,978,421	$ 17,867,271

(1) Amount as of March 31, 2017 includes $126,467 related to proceeds from dispositions held in escrow for planned tax deferred exchange activity.

Attachment 3

AvalonBay Communities, Inc.
Sequential Operating Information by Business Segment (1)
March 31, 2017
(Dollars in thousands)
(unaudited)

	Total Apartment Homes	Quarter Ended March 31, 2017	Quarter Ended December 31, 2016
RENTAL REVENUE (2)			
Established (3)	55,098	$ 388,686	$ 388,653
Other Stabilized (3) (4)	9,492	73,748	72,819
Redevelopment (3)	5,824	44,046	43,754
Development (3)	8,364	11,452	7,368
Total Consolidated Communities	78,778	$ 517,932	$ 512,594
OPERATING EXPENSE			
Established		$ 112,802	$ 111,208
Other Stabilized (4)		22,456	22,147
Redevelopment		14,556	14,227
Development		6,085	3,752
Total Consolidated Communities		$ 155,899	$ 151,334
NOI (3)			
Established		$ 276,106	$ 277,702
Other Stabilized (4)		51,571	50,689
Redevelopment		29,551	29,657
Development		5,355	3,639
Total Consolidated Communities		$ 362,583	$ 361,687
AVERAGE REVENUE PER OCCUPIED HOME (5)			
Established		$ 2,456	$ 2,464
Other Stabilized (4)		$ 2,700	$ 2,690
Redevelopment		$ 2,647	$ 2,639
ECONOMIC OCCUPANCY (3) (5)			
Established		95.7%	95.4%
Other Stabilized (4)		95.5%	94.6%
Redevelopment		95.2%	94.9%
ESTABLISHED COMMUNITIES TURNOVER (6)			
Current year period / Prior year period		45.2% / 43.9%	47.7% / 48.5%

(1) Includes consolidated communities and excludes amounts related to communities that have been sold or that are classified as held for sale.

(2) Rental revenue excludes non-qualified REIT income.

(3) See Attachment 12 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

(4) Results for these communities for quarters prior to January 1, 2017 reflect community operations prior to stabilization, including periods of lease-up, such that occupancy levels are below what would be considered stabilized.

(5) For per home rent projections and Economic Occupancy for Development Communities currently under construction and/or completed in Q1 2017 see Attachment 7 - Development Communities.

(6) Turnover represents the annualized number of units turned over during the period, divided by the total number of apartment homes for Established Communities for the respective reporting period.

(7) Redevelopment Communities includes nine communities containing 4,075 apartment homes that are currently under active Redevelopment as of March 31, 2017.

CAPITALIZED COSTS

	Cap Interest	Cap Overhead	Non-Rev Capex per Home (3)
Q117	$17,821	$10,892	$116
Q416	$18,350	$10,220	$305
Q316	$19,889	$10,888	$264
Q216	$20,024	$12,212	$186
Q116	$20,609	$11,881	$174

REDEVELOPMENT COMMUNITIES (7)

	Total Capital Cost (3)	Remaining to Invest
Q117	$164,100	$99,600

Attachment 4

AvalonBay Communities, Inc.
Quarterly Rental Revenue and Occupancy Changes - Established Communities (1)
March 31, 2017
(unaudited)

	Apartment Homes	Average Rental Rates (2)			Economic Occupancy			Rental Revenue ($000s)			
		Q1 17	Q1 16	% Change	Q1 17	Q1 16	% Change	Q1 17	Q1 16	% Change	% Change incl. Redev (4)
New England											
Boston, MA	6,427	$ 2,367	$ 2,292	3.3%	95.8%	95.4%	0.4 %	$ 43,745	$ 42,178	3.7%	4.3%
Fairfield-New Haven, CT	2,204	2,349	2,338	0.5%	95.6%	95.2%	0.4 %	14,843	14,712	0.9%	0.9%
New England Average	8,631	2,363	2,305	2.5%	95.8%	95.3%	0.5 %	58,588	56,890	3.0%	3.5%
Metro NY/NJ											
New York City, NY	2,636	3,801	3,724	2.1%	95.6%	95.3%	0.3 %	28,741	28,080	2.4%	2.5%
New York - Suburban	3,659	2,992	2,920	2.5%	95.9%	95.2%	0.7 %	31,486	30,524	3.2%	3.3%
New Jersey	4,093	2,334	2,244	4.0%	95.1%	95.7%	(0.6)%	27,265	26,362	3.4%	3.6%
Metro NY/NJ Average	10,388	2,938	2,859	2.8%	95.6%	95.4%	0.2 %	87,492	84,966	3.0%	3.1%
Mid-Atlantic											
Washington Metro/Baltimore, MD	9,123	2,127	2,080	2.3%	95.7%	95.2%	0.5 %	55,725	54,233	2.8%	2.8%
Mid-Atlantic Average	9,123	2,127	2,080	2.3%	95.7%	95.2%	0.5 %	55,725	54,233	2.8%	2.8%
Pacific Northwest											
Seattle, WA	3,305	2,150	2,026	6.1%	95.9%	95.9%	0.0 %	20,436	19,254	6.1%	6.1%
Pacific Northwest Average	3,305	2,150	2,026	6.1%	95.9%	95.9%	0.0 %	20,436	19,254	6.1%	6.1%
Northern California											
San Jose, CA	3,487	2,637	2,586	2.0%	96.3%	96.1%	0.2 %	26,573	26,009	2.2%	2.4%
Oakland-East Bay, CA	3,485	2,473	2,385	3.7%	95.7%	95.7%	0.0 %	24,756	23,872	3.7%	3.9%
San Francisco, CA	3,349	3,338	3,300	1.2%	95.2%	95.1%	0.1 %	31,944	31,536	1.3%	1.3%
Northern California Average	10,321	2,809	2,749	2.2%	95.7%	95.6%	0.1 %	83,273	81,417	2.3%	2.4%
Southern California											
Los Angeles, CA	8,380	2,216	2,127	4.2%	96.0%	96.7%	(0.7)%	53,488	51,684	3.5%	3.8%
Orange County, CA	3,087	2,117	2,016	5.0%	95.8%	96.1%	(0.3)%	18,778	17,928	4.7%	4.7%
San Diego, CA	1,863	2,054	1,956	5.0%	95.0%	95.0%	0.0 %	10,906	10,382	5.0%	6.4%
Southern California Average	13,330	2,170	2,077	4.5%	95.8%	96.3%	(0.5)%	83,172	79,994	4.0%	4.3%
Average/Total Established	55,098	$ 2,456	$ 2,383	3.1%	95.7%	95.6%	0.1 %	$ 388,686	$ 376,754	3.2% (3)	3.4%

(1) Established Communities are communities with Stabilized Operations as of January 1, 2016 such that a comparison of Q1 2016 to Q1 2017 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% from Q1 2016 to Q1 2017.

(4) Represents the change in rental revenue if the Company were to include planned, current and previously completed Redevelopment Communities as part of its Established Communities portfolio.

Attachment 5

AvalonBay Communities, Inc.
Sequential Quarterly Rental Revenue and Occupancy Changes - Established Communities (1)
March 31, 2017
(unaudited)

	Apartment Homes	Average Rental Rates (2)			Economic Occupancy			Rental Revenue ($000s)			
		Q1 17	Q4 16	% Change	Q1 17	Q4 16	% Change	Q1 17	Q4 16	% Change	% Change incl. Redev (3)
New England											
Boston, MA	6,427	$ 2,367	$ 2,387	(0.8)%	95.8%	95.9%	(0.1)%	$ 43,745	$ 44,153	(0.9)%	(0.6)%
Fairfield-New Haven, CT	2,204	2,349	2,367	(0.8)%	95.6%	95.4%	0.2 %	14,843	14,931	(0.6)%	(0.6)%
New England Average	8,631	2,363	2,382	(0.8)%	95.8%	95.8%	0.0 %	58,588	59,084	(0.8)%	(0.6)%
Metro NY/NJ											
New York City, NY	2,636	3,801	3,808	(0.2)%	95.6%	95.7%	(0.1)%	28,741	28,820	(0.3)%	0.2 %
New York - Suburban	3,659	2,992	3,006	(0.5)%	95.9%	95.9%	0.0 %	31,486	31,650	(0.5)%	(0.6)%
New Jersey	4,093	2,334	2,338	(0.2)%	95.1%	95.6%	(0.5)%	27,265	27,448	(0.7)%	(0.7)%
Metro NY/NJ Average	10,388	2,938	2,946	(0.3)%	95.6%	95.8%	(0.2)%	87,492	87,918	(0.5)%	(0.3)%
Mid-Atlantic											
Washington Metro/Baltimore, MD	9,123	2,127	2,125	0.1 %	95.7%	95.3%	0.4 %	55,725	55,452	0.5 %	0.4 %
Mid-Atlantic Average	9,123	2,127	2,125	0.1 %	95.7%	95.3%	0.4 %	55,725	55,452	0.5 %	0.4 %
Pacific Northwest											
Seattle, WA	3,305	2,150	2,152	(0.1)%	95.9%	95.1%	0.8 %	20,436	20,295	0.7 %	0.7 %
Pacific Northwest Average	3,305	2,150	2,152	(0.1)%	95.9%	95.1%	0.8 %	20,436	20,295	0.7 %	0.7 %
Northern California											
San Jose, CA	3,487	2,637	2,654	(0.6)%	96.3%	95.2%	1.1 %	26,573	26,436	0.5 %	1.4 %
Oakland-East Bay, CA	3,485	2,473	2,488	(0.6)%	95.7%	95.3%	0.4 %	24,756	24,802	(0.2)%	(0.1)%
San Francisco, CA	3,349	3,338	3,356	(0.5)%	95.2%	95.4%	(0.2)%	31,944	32,168	(0.7)%	(0.7)%
Northern California Average	10,321	2,809	2,826	(0.6)%	95.7%	95.3%	0.4 %	83,273	83,406	(0.2)%	0.3 %
Southern California											
Los Angeles, CA	8,380	2,216	2,214	0.1 %	96.0%	95.1%	0.9 %	53,488	52,980	1.0 %	1.1 %
Orange County, CA	3,087	2,117	2,118	0.0 %	95.8%	94.9%	0.9 %	18,778	18,610	0.9 %	0.9 %
San Diego, CA	1,863	2,054	2,046	0.4 %	95.0%	95.4%	(0.4)%	10,906	10,908	0.0 %	(0.2)%
Southern California Average	13,330	2,170	2,168	0.1 %	95.8%	95.1%	0.7 %	83,172	82,498	0.8 %	0.9 %
Average/Total Established	55,098	$ 2,456	$ 2,464	(0.3)%	95.7%	95.4%	0.3 %	$ 388,686	$ 388,653	0.0 %	0.2 %

(1) Established Communities are communities with Stabilized Operations as of January 1, 2016 such that a comparison of Q4 2016 to Q1 2017 is meaningful.

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

(3) Represents the change in rental revenue if the Company were to include planned, current and previously completed Redevelopment Communities as part of its Established Communities portfolio.

Attachment 6

AvalonBay Communities, Inc.
Operating Expenses ("Opex") - Established Communities (1)
March 31, 2017
(Dollars in thousands)
(unaudited)

	Q1 2017	Q1 2016	% Change	Q1 2017 % of Total Opex
Property taxes	$ 38,461	$ 38,271	0.5 %	34.1%
Payroll (2)	26,194	25,344	3.4 %	23.2%
Repairs & maintenance (3)	17,186	16,139	6.5 %	15.2%
Office operations (4)	13,829	13,095	5.6 %	12.3%
Utilities (5)	11,146	11,270	(1.1)%	9.9%
Insurance (6)	3,514	4,659	(24.6)%	3.1%
Marketing	2,472	2,404	2.8 %	2.2%
Total Established Communities Operating Expenses	**$ 112,802**	**$ 111,182**	**1.5 %**	**100.0%**

(1) Operating expenses for Established Communities excludes indirect costs for off-site corporate-level property management related expenses and other support-related expenses. See Attachment 12 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

(2) Payroll increased for the three months ended March 31, 2017 over the prior year period primarily due to increased on-site payroll costs, including hiring associates for positions that were outsourced in the prior year period, partially offset by decreased benefits costs as compared to the prior year period.

(3) Repairs and maintenance increased for the three months ended March 31, 2017 over the prior year period primarily due to increased turnover costs, uninsured repair costs and common area maintenance and amenity costs, partially offset by a decrease in snow removal costs in the current year period.

(4) Office operations includes administrative costs, land lease expense, bad debt expense and association and license fees. The increase for the three months ended March 31, 2017 over the prior year period is primarily due to an increase in bad debt expense and the timing of government license fees, partially offset by a decrease in temporary help costs due to transitioning outsourced positions to full and part time associates, which partially offsets the increase in payroll.

(5) Utilities represents aggregate utility costs, net of resident reimbursements. The decrease for the three months ended March 31, 2017 from the prior year period is primarily due to lower electrical consumption and the Company’s energy efficiency projects, as well as a decrease in water and sewer expenses, net of resident reimbursements. These decreases were partially offset by increased gas expense due to higher gas consumption.

(6) Insurance costs consist of premiums, expected claims activity and associated reductions from receipt of claims recoveries. The decrease for the three months ended March 31, 2017 from the prior year period is primarily due to decreased property insurance premiums, as well as the timing of claims and related recoveries. Insurance costs can be variable due to the amounts and timing of estimated and actual claim activity and the related recoveries received.

Attachment 7

AvalonBay Communities, Inc.
Development Communities as of March 31, 2017
(unaudited)

	Community Information		Number of Apt Homes	Total Capital Cost (millions) (1)	Schedule				Avg Rent Per Home (1)	% Complete	% Leased	% Occupied	% Economic Occ. Q1 '17 (1)
	Development Name	Location			Start	Initial Occupancy	Complete	Full Qtr Stabilized Ops (1)		As of April 20, 2017			
	High Rise Communities:												
1.	Avalon North Station	Boston, MA	503	$ 271.2	Q3 2014	Q4 2016	Q1 2018	Q3 2018	$ 3,550	44.7%	39.0%	24.1%	13.2%
2.	AVA NoMa	Washington, D.C.	438	148.3	Q2 2015	Q1 2017	Q1 2018	Q3 2018	2,535	15.5%	10.5%	2.3%	0.7%
3.	Avalon Brooklyn Bay (2)	Brooklyn, NY	180	89.7	Q3 2015	Q3 2017	Q4 2017	Q2 2018	3,255	—	2.2%	—	—
4.	11 West 61st Street (3)	New York, NY	172	603.7	Q4 2016	Q2 2019	Q4 2019	Q2 2020	10,730	—	—	—	—
5.	Avalon Belltown Towers (3)	Seattle, WA	275	146.9	Q4 2016	Q3 2019	Q4 2019	Q2 2020	3,510	—	—	—	—
	High Rise Under Construction Subtotal / Weighted Average		**1,568**	**$ 1,259.8**					**$ 4,015**				
6.	Avalon Willoughby Square/AVA DoBro	Brooklyn, NY	826	$ 456.3	Q3 2013	Q4 2015	Q1 2017	Q3 2017	$ 3,640	100.0%	89.8%	82.3%	74.4%
	High Rise Communities Completed Subtotal / Weighted Average		**826**	**$ 456.3**					**$ 3,640**				
	High Rise Weighted Average Projected NOI as a % of Total Capital Cost (1)			**5.2%**									
	Mid Rise Communities:												
1.	Avalon Esterra Park (3)	Redmond, WA	482	$ 137.8	Q3 2014	Q1 2016	Q2 2017	Q4 2017	$ 2,240	90.5%	80.1%	76.8%	60.2%
2.	Avalon Quincy	Quincy, MA	395	94.9	Q2 2015	Q2 2016	Q3 2017	Q1 2018	2,275	75.9%	77.5%	61.8%	52.7%
3.	Avalon Princeton	Princeton, NJ	280	95.5	Q4 2014	Q3 2016	Q3 2017	Q1 2018	2,850	79.3%	69.6%	54.3%	36.4%
4.	Avalon Hunt Valley	Hunt Valley, MD	332	74.0	Q1 2015	Q3 2016	Q3 2017	Q1 2018	1,850	72.9%	63.9%	50.6%	35.2%
5.	Avalon Newcastle Commons I (3)	Newcastle, WA	378	116.3	Q3 2015	Q4 2016	Q4 2017	Q2 2018	2,245	36.0%	18.5%	12.4%	6.1%
6.	Avalon West Hollywood (3)	West Hollywood, CA	294	153.6	Q2 2014	Q1 2017	Q4 2017	Q2 2018	3,495	12.2%	15.0%	6.1%	4.0%
7.	Avalon Great Neck	Great Neck, NY	191	79.6	Q2 2015	Q2 2017	Q4 2017	Q2 2018	3,570	—	17.8%	—	—
8.	Avalon Maplewood (4)	Maplewood, NJ	235	65.4	Q4 2015	Q1 2018	Q4 2018	Q2 2019	2,270	—	—	—	—
9.	Avalon Rockville Centre II	Rockville Centre, NY	165	57.8	Q4 2015	Q3 2017	Q1 2018	Q3 2018	2,785	—	—	—	—
10.	AVA Wheaton	Wheaton, MD	319	75.6	Q4 2015	Q3 2017	Q2 2018	Q4 2018	1,870	—	—	—	—
11.	Avalon Dogpatch	San Francisco, CA	326	203.4	Q4 2015	Q4 2017	Q3 2018	Q1 2019	4,450	—	—	—	—
12.	AVA North Point (5)	Cambridge, MA	265	113.9	Q2 2016	Q1 2018	Q4 2018	Q2 2019	2,965	—	—	—	—
13.	Avalon Boonton	Boonton, NJ	350	91.2	Q3 2016	Q2 2019	Q1 2020	Q3 2020	2,390	—	—	—	—
14.	Avalon Public Market	Emeryville, CA	285	139.6	Q4 2016	Q3 2018	Q1 2019	Q3 2019	3,605	—	—	—	—
15.	Avalon Teaneck	Teaneck, NJ	248	70.4	Q4 2016	Q4 2018	Q2 2019	Q4 2019	2,435	—	—	—	—
16.	AVA Hollywood (3)	Hollywood, CA	695	365.1	Q4 2016	Q2 2019	Q2 2020	Q4 2020	3,380	—	—	—	—
	Mid Rise Under Construction Subtotal / Weighted Average		**5,240**	**$ 1,934.1**					**$ 2,785**				
17.	Avalon Huntington Beach (3)	Huntington Beach, CA	378	$ 120.1	Q2 2014	Q1 2016	Q1 2017	Q3 2017	$ 2,320	100.0%	92.6%	89.4%	82.8%
	Mid Rise Communities Completed Subtotal / Weighted Average		**378**	**$ 120.1**					**$ 2,320**				
	Mid Rise Weighted Average Projected NOI as a % of Total Capital Cost (1)			**6.4%**									
	Garden Communities:												
1.	Avalon Chino Hills	Chino Hills, CA	331	$ 96.6	Q3 2015	Q4 2016	Q4 2017	Q1 2018	$ 2,170	60.1%	50.5%	35.0%	20.6%
2.	Avalon Easton	Easton, MA	290	64.0	Q1 2016	Q1 2017	Q1 2018	Q3 2018	1,990	18.3%	19.3%	8.6%	1.3%
3.	Avalon Somers	Somers, NY	152	45.1	Q2 2016	Q3 2017	Q1 2018	Q3 2018	2,615	—	—	—	—
	Garden Under Construction Subtotal / Weighted Average		**773**	**$ 205.7**					**$ 2,190**				
4.	Avalon Laurel	Laurel, MD	344	$ 72.4	Q2 2015	Q2 2016	Q1 2017	Q3 2017	$ 1,890	100.0%	82.6%	72.7%	57.5%
	Garden Communities Completed Subtotal / Weighted Average		**344**	**$ 72.4**					**$ 1,890**				
	Garden Weighted Average Projected NOI as a % of Total Capital Cost (1)			**6.4%**									
	Total / Weighted Average		9,129	$ 4,048.4					$ 2,970				
	Total Weighted Average Projected NOI as a % of Total Capital Cost (1)			5.8%									

Asset Cost Basis (millions) (6):	
Total Capital Cost, under construction and completed	$ 3,997.2
Total Capital Cost, disbursed to date	(2,799.0)
Total Capital Cost, remaining to invest	$ 1,198.2

(1) See Attachment 12 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms. Unconsolidated joint venture communities are excluded from weighted average projected NOI as a % of Total Capital Cost.

(2) The Company is developing this project with a private development partner. The Company will own the rental portion of the development on floors 3-19 and the partner will own the for-sale condominium portion on floors 20-30 of the development. Information in this attachment represents only the Company's portion of the project. The Company is providing a construction loan to the development partner, expected to be $48.8 million, which together with the partner's contributed equity is expected to fund the condominium portion of the project.

(3) Developments containing at least 10,000 square feet of retail space include 11 West 61st Street (67,000 sf), Avalon Belltown Towers (11,000 sf), Avalon Esterra Park (17,000 sf), Avalon Newcastle Commons I (15,000 sf), Avalon West Hollywood (32,000 sf), AVA Hollywood (19,000 sf), and Avalon Huntington Beach (10,000 sf).

(4) This schedule reflects the expected impact of the Maplewood casualty loss.

(5) The Company is developing this project within an unconsolidated joint venture that was formed in July 2016, in which the Company owns a 55.0% interest. Total Capital Cost for the venture is shown and reflects the underlying land at the assigned contribution value upon formation of the venture.

(6) Asset Cost Basis includes the communities presented on this attachment. Q1 2017 NOI for these 27 communities was $9.0 million. AVA North Point is included at AVB share.

Attachment 8

AvalonBay Communities, Inc.
Future Development as of March 31, 2017
(unaudited)

DEVELOPMENT RIGHTS (1)

	# of Rights	Estimated Number of Homes	Total Capital Cost (1) (millions)
Development Rights as of 12/31/2016	**25**	**8,487**	**$ 3,028**
Q1 2017			
Q1 Additions	4	1,191	$ 387
Q1 Construction starts	—	—	—
Q1 Adjustments to existing Development Rights	(1)	(374)	(42)
Development Rights as of 3/31/2017	**28**	**9,304**	**$ 3,373**
Current Development Rights by Region as of March 31, 2017			
New England	6	1,388	$ 474
Metro NY/NJ	11	4,628	1,644
Mid-Atlantic	3	998	314
Pacific Northwest	3	911	238
Northern California	4	904	458
Southern California	1	475	245
Total	**28**	**9,304**	**$ 3,373**

(1) See Attachment 12 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

AvalonBay Communities, Inc.
Unconsolidated Real Estate Investments
March 31, 2017
(Dollars in thousands)
(unaudited)

Unconsolidated Real Estate Investments (1)	Number of Communities	Company Ownership Percentage (2)	Number of Apartment Homes	Select Operating Information: NOI (3) (4) Q1 2017	Select Operating Information: Disposition Gains and Other Activity (3) (5) Q1 2017	Debt: Principal Amount (3)	Debt: Interest Rate (6)
Fund II	2	31.3% (7)	682	$ 3,121	$ 29,447	$ 64,569	3.48%
Multifamily Partners AC LP ("U.S. Fund")	7	28.6%	1,269	7,244	—	273,473	3.43%
Multifamily Partners AC JV LP	3	20.0%	921	4,361	—	162,300 (8)	6.00%
MVP I, LLC	1	25.0%	313	2,732	—	103,000	3.24%
Brandywine Apartments of Maryland, LLC	1	28.7%	305	1,267	—	23,172	3.40%
Total Unconsolidated Real Estate Investments	14		3,490	$ 18,725	$ 29,447	$ 626,514	4.07%

(1) Excludes development joint ventures.

(2) Company ownership percentages do not reflect the impact of promoted interests.

(3) NOI, outstanding indebtedness and disposition gains and other activity are presented at 100% ownership.

(4) NOI includes $937 in Q1 2017 from one Fund II community disposed of during the three months ended March 31, 2017, and excludes property management fees as the Company serves as the property management company for all ventures except Brandywine Apartments of Maryland, LLC.

(5) Disposition gains and other activity is composed primarily of gains on disposition of unconsolidated real estate investments, of which the Company's portion is included in joint venture income as presented on Attachment 1 - Detailed Operating Information. The Company's portion of income from disposition gains and other activity for Q1 2017 was $8,697 and for Q1 2016 was $29,625.

(6) Represents the weighted average interest rate as of March 31, 2017.

(7) Upon achievement of a threshold return, the Company has a right to incentive distributions for its promoted interest. During the three months ended March 31, 2017, the Company recognized a total of $6,765 in joint venture income associated with its promoted interest in Fund II.

(8) Borrowing is comprised of four mortgage loans made by the equity investors in the venture in proportion to their equity interests.

Attachment 10

AvalonBay Communities, Inc.
Debt Structure and Select Debt Metrics
March 31, 2017
(Dollars in thousands)
(unaudited)

DEBT COMPOSITION AND MATURITIES

Debt Composition	Amount (1)	Average Interest Rate (2)
Conventional Debt		
Long-term, fixed rate	$ 5,748,584	
Long-term, variable rate	388,707	
Variable rate facility (3)	—	
Subtotal, Conventional	6,137,291	3.9%
Tax-Exempt Debt		
Long-term, fixed rate	116,066	
Long-term, variable rate	801,495	
Subtotal, Tax-Exempt	917,561	2.9%
Total Debt	$ 7,054,852	3.8%

Principal Amortization and Maturities (1)		
2017	$	706,145
2018	$	94,456
2019	$	660,210
2020	$	772,353
2021	$	581,395

SELECT DEBT METRICS (4)

Net Debt-to-Core EBITDA	5.0x
Interest Coverage	6.8x
Unencumbered NOI	81%

DEBT COVENANT COMPLIANCE (4)

Unsecured Line of Credit Covenants	March 31, 2017	Requirement
Total Outstanding Indebtedness to Capitalization Value (5)	28.7%	≤ 60%
Combined EBITDA to Combined Debt Service	5.77x	≥ 1.50x
Unsecured Indebtedness to Unencumbered Asset Value	20.4%	≤ 65%
Secured Indebtedness to Capitalization Value (5)	10.4%	≤ 40%

Unsecured Senior Notes Covenants	March 31, 2017	Requirement
Total Outstanding Indebtedness to Total Assets (6)	36.0%	≤ 65%
Secured Indebtedness to Total Assets (6)	11.9%	≤ 40%
Unencumbered Assets to Unsecured Indebtedness	385.7%	≥ 150%
Consolidated Income Available for Debt Service to the Annual Service Charge	6.53x	≥ 1.50x

(1) Principal amortization and maturities, including amounts due at maturity, exclude the Company's Unsecured Line of Credit and any associated issuance discount, mark-to-market premiums and deferred financing costs. Debt maturities remaining in 2017 have weighted average effective and contractual interest rates of 3.36% and 6.26%, respectively. The principal amount outstanding excludes amounts due under the $250 million variable rate unsecured term loan entered into by the Company during the three months ended March 31, 2017, for which no amounts had been drawn as of March 31, 2017.

(2) Rates are as of March 31, 2017 and include costs of financing such as credit enhancement fees, trustees' fees, the impact of interest rate hedges and mark-to-market adjustments.

(3) Represents amounts outstanding at March 31, 2017 under the Company's $1.5 billion unsecured credit facility.

(4) See Attachment 12 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

(5) Capitalization Value represents the Company’s Combined EBITDA for operating communities that the Company has owned for the year ended March 31, 2017, capitalized at a rate of 6% per annum, plus the book value of Development Communities and real estate communities acquired. For discussion of other defined terms, see "Debt Covenant Compliance" in Attachment 12 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

(6) Total Assets represents the sum of the Company's undepreciated real estate assets and other assets, excluding accounts receivable. See "Debt Covenant Compliance" in Attachment 12 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

Attachment 11

AvalonBay Communities, Inc.
Summary of Disposition Activity (1)
March 31, 2017
(Dollars in thousands)
(unaudited)

Number of Communities Sold	Weighted Average Investment Period (Years)	Gross Sales Price	GAAP Gain	Accumulated Depreciation and Other	Economic Gain (Loss) (2)	Weighted Average Initial Year Mkt. Cap Rate (2)	Weighted Average Unleveraged IRR (2)
2008- 2012:							
24 Communities (3) (4) (5) (6)	**12.6**	**$ 1,388,065**	**$ 704,822**	**$ 196,046**	**$ 508,776**	**5.5%**	**13.0%**
2013:							
8 Communities (7)	**13.4**	**$ 932,800**	**$ 278,231**	**$ 94,790**	**$ 183,441**	**4.9%**	**12.8%**
2014:							
4 Communities (7)	**10.9**	**$ 296,200**	**$ 106,138**	**$ 38,367**	**$ 67,771**	**5.0%**	**12.6%**
2015:							
3 Communities	**11.5**	**$ 265,500**	**$ 115,625**	**$ 47,451**	**$ 68,174**	**5.3%**	**10.1%**
2016:							
7 Communities (8)	**15.3**	**$ 522,850**	**$ 370,301**	**$ 112,492**	**$ 257,809**	**5.3%**	**13.0%**
2017:							
1 Community	**11.2**	**$ 140,000**	**$ 87,949**	**$ 29,490**	**$ 58,459**	**6.0%**	**12.5%**
2008 - 2017 Total							
47 Communities	**13.0**	**$ 3,545,415**	**$ 1,663,066**	**$ 518,636**	**$ 1,144,430**	**5.2%**	**12.8%**

(1) Provides disposition activity for consolidated communities for the most recent 10 year period.

(2) See Attachment 12 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

(3) 2009 and 2010 GAAP and Economic Gains include the recognition of approximately $2,770 and $2,675, respectively, in deferred gains for prior year dispositions, recognition of which occurred in conjunction with settlement of associated legal matters.

(4) 2010 Gross Sales Price and GAAP and Economic Gains include the disposition of Avalon on the Sound, a consolidated community that was previously held in a joint venture for a portion of the Company's investment period. This community is not included in the calculation of Weighted Average Investment Period, Weighted Average Initial Year Market Cap Rate, or Weighted Average Unleveraged IRR.

(5) 2011 results exclude the Company's proportionate GAAP gain of $7,675 associated with an asset exchange.

(6) 2012 GAAP and Economic Gains include the recognition of approximately $1,225 and $496, respectively, in deferred gains for prior year dispositions and gains for current year dispositions, which occurred in conjunction with settlement of associated legal matters.

(7) 2013 and 2014 results include the sale of four and two Archstone communities, respectively, for Gross Sales Price and Weighted Average Initial Year Market Cap Rate, but exclude these dispositions for other metrics due to the short investment period.

(8) 2016 GAAP and Economic Gains exclude the impact of the consolidation of Avalon Clarendon, for which the Company recognized a gain of $4,322.

<u>**Attachment 12**</u>

AvalonBay Communities, Inc.
Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms
March 31, 2017
(unaudited)

This release, including its attachments, contains certain non-GAAP financial measures and other terms. The definitions and calculations 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.

<u>Average Rent per Home</u>, 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.

<u>Average Rental Rates</u> are calculated by the Company as rental revenue in accordance with GAAP, divided by the weighted average number of occupied apartment homes.

<u>Debt Covenant Compliance</u> ratios for the Unsecured Line of Credit Covenants show the Company's compliance with selected covenants provided in the Company's Fourth Amended and Restated Revolving Loan Agreement dated as of January 14, 2016, the Company's Term Loan Agreement dated March 31, 2014 and the Company's Term Loan Agreement dated February 28, 2017, which have been filed as exhibits to the Company's SEC reports. The ratios for the Unsecured Senior Notes Covenants show the Company's compliance with selected covenants provided in the Company's Indenture dated as of January 16, 1998, as supplemented by the First Supplemental Indenture dated as of January 20, 1998, Second Supplemental Indenture dated as of July 7, 1998, Amended and Restated Third Supplemental Indenture dated as of July 20, 2000, Fourth Supplemental Indenture dated as of September 18, 2006 and Fifth Supplemental Indenture dated as of November 21, 2014, which have been filed as exhibits to the Company's SEC reports.

The Debt Covenant Compliance ratios are provided only to show the Company's compliance with certain covenants contained in the Indenture governing its unsecured debt securities and in the Company's Credit Facility and Term Loans, as of the date reported. These ratios should not be used for any other purpose, including without limitation to evaluate the Company's financial condition or results of operations, nor do they indicate the Company's covenant compliance as of any other date or for any other period. The capitalized terms in the disclosure are defined in the Indenture or the Credit Facility and the Term Loans, and may differ materially from similar terms (a) used elsewhere in this release and the Attachments and (b) used by other companies that present information about their covenant compliance. For risks related to failure to comply with these covenants, see "Risk Factors – Risks related to indebtedness" and other risks discussed in the Company's Annual Report on Form 10-K and the Company's other reports filed with the SEC.

<u>Development Communities</u> are communities that are under construction and for which a certificate or certificates of occupancy for the entire community has not been received. These communities may be partially complete and operating.

<u>Development Rights</u> 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.

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Economic Gain (Loss) is calculated by the Company as the gain (loss) 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 (Loss) to be an appropriate supplemental measure to gain (loss) 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 (Loss) for each of the communities presented is based on their respective final settlement statements. A reconciliation of Economic Gain (Loss) to gain on sale in accordance with GAAP for the three months ended March 31, 2017 as well as prior years' activities is presented elsewhere on Attachment 11.

Economic Occupancy ("Ec Occ") is defined as total possible revenue less vacancy loss as a percentage of total possible revenue. Total possible 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 Communities are consolidated communities where a comparison of operating results from the prior year to the current year is meaningful, as these communities were owned and had Stabilized Operations, as defined below, as of the beginning of the respective prior year period. Therefore, for 2017 operating results, Established Communities are consolidated communities that have Stabilized Operations as of January 1, 2016, are not conducting or planning to conduct substantial redevelopment activities and are not held for sale or planned for disposition within the current year.

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 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 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 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 as follows (dollars in thousands):

Attachment 12

	Q1 2017	Q1 2016
Net income attributable to common stockholders	$ 235,875	$ 237,931
Depreciation - real estate assets, including joint venture adjustments	140,957	127,701
Distributions to noncontrolling interests	11	10
Gain on sale of unconsolidated entities holding previously depreciated real estate	(8,697)	(29,625)
Gain on sale of previously depreciated real estate	(87,949)	(51,430)
FFO attributable to common stockholders	280,197	284,587
Adjusting items:		
Joint venture losses (1)	266	4,994
Joint venture promote (2)	(6,765)	—
Impairment loss on real estate (3)(5)	9,350	6,500
Casualty loss (gain), net on real estate (4)(5)	2,338	(8,702)
Business interruption insurance proceeds (6)	—	(20,334)
Lost NOI from casualty losses covered by business interruption insurance (7)	1,805	1,870
Severance related costs	124	585
Development pursuit and other write-offs	423	433
Gain on sale of other real estate	(366)	—
Acquisition costs	—	1,101
Core FFO attributable to common stockholders	$ 287,372	$ 271,034
Average shares outstanding - diluted	137,531,242	137,383,044
Earnings per share - diluted	$ 1.72	$ 1.73
FFO per common share - diluted	$ 2.04	$ 2.07
Core FFO per common share - diluted	$ 2.09	$ 1.97

(1) Amount for 2016 is primarily composed of the Company's portion of yield maintenance charges incurred for the early repayment of debt associated with joint venture disposition activity and the write-off of asset management fee intangibles primarily associated with the disposition of communities in the U.S. Fund.

(2) Amount for 2017 is composed of the Company's recognition of its promoted interest in Fund II.

(3) Amount for 2017 includes an impairment charge for a land parcel the Company had acquired for development and no longer intends to develop. Amount for 2016 includes impairment charges relating to ancillary land parcels.

(4) Amount for 2017 includes $19,481 for the Maplewood casualty loss, partially offset by $17,143 of expected property damage insurance proceeds, a portion of which were received during the period. Amount for 2016 is property damage insurance proceeds for the Edgewater casualty loss.

(5) Aggregate impact of (i) Impairment loss on real estate and (ii) Casualty loss (gain), net on real estate for 2017 and 2016, is a loss of $11,688 and a gain of $2,202, respectively, as shown on Attachment 1 - Detailed Operating Information.

(6) Amount for 2016 is primarily composed of business interruption insurance proceeds resulting from the final insurance settlement of the Edgewater casualty loss.

(7) Amounts relate to a casualty event at Edgewater in Q1 2015, for which the Company received $20,306 in business interruption insurance proceeds in Q1 2016.

Attachment 12

Initial Year 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 2.5% - 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 a 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 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 Initial Year Market Cap Rate is weighted based on the gross sales price of each community.

Interest Coverage is calculated by the Company as Core EBITDA divided by the sum of interest expense, net, and preferred dividends, if applicable. Interest Coverage is presented by the Company because it provides rating agencies and investors an additional means of comparing our ability to service debt obligations to that of other companies. EBITDA is defined by the Company as net income or loss attributable to the Company before interest income and expense, income taxes, depreciation and amortization.

A reconciliation of Core EBITDA and a calculation of Interest Coverage for the three months ended March 31, 2017 are as follows (dollars in thousands):

Net income attributable to common stockholders	$	235,875
Interest expense, net, inclusive of loss on extinguishment of debt, net		49,295
Income tax expense		20
Depreciation expense		140,621
EBITDA	$	425,811
NOI from real estate assets sold or held for sale		(1,387)
Gain on sale of communities		(87,949)
Gain on sale of other real estate		(366)
Joint venture income		(16,672)
Consolidated EBITDA after disposition activity	$	319,437
Casualty and impairment loss (gain), net		11,688
Lost NOI from casualty losses covered by business interruption insurance		1,805
Severance related costs		124
Development pursuit and other write-offs		423
Core EBITDA	$	333,477
Interest expense, net	$	49,295
Interest Coverage		6.8 times

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.

Attachment 12

Net Debt-to-Core EBITDA is calculated by the Company as total debt that is consolidated for financial reporting purposes, less consolidated cash and cash in escrow, divided by annualized first quarter 2017 Core EBITDA, as adjusted. For a calculation of Core EBITDA, see "Interest Coverage" above. A calculation of Net Debt-to-Core EBITDA is as follows (dollars in thousands):

Total debt principal (1)	$	7,054,852
Cash and cash in escrow		(368,720)
Net debt	$	6,686,132
Core EBITDA	$	333,477
Core EBITDA, annualized	$	1,333,908
Net Debt-to-Core EBITDA		5.0 times

(1) Balance at March 31, 2017 excludes $8,640 of debt discount and $26,814 of deferred financing costs as reflected in unsecured notes, net, and $3,044 of debt discount and $10,625 of deferred financing costs as reflected in notes payable, on the Condensed Consolidated Balance Sheets.

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, investments and investment management expenses, expensed acquisition, development and other pursuit costs, net of recoveries, interest expense, net, loss (gain) on extinguishment of debt, net, general and administrative expense, joint venture income, depreciation expense, corporate income tax expense, casualty and impairment loss (gain), net, gain on sale of real estate 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.

A reconciliation of NOI to Net Income, as well as a breakdown of NOI by operating segment, is as follows (dollars in thousands):

Attachment 12

	Q1 2017	Q1 2016	Q4 2016
Net income	$ 235,781	$ 237,877	$ 242,183
Indirect operating expenses, net of corporate income	16,297	16,537	14,443
Investments and investment management expense	1,321	1,145	1,277
Expensed acquisition, development and other pursuit costs, net of recoveries	728	3,462	1,220
Interest expense, net	49,295	43,410	49,648
Loss on extinguishment of debt, net	—	—	4,614
General and administrative expense	13,226	11,441	10,638
Joint venture income	(16,672)	(27,969)	(10,184)
Depreciation expense	140,621	127,216	140,020
Casualty and impairment loss (gain), net	11,688	(2,202)	—
Gain on sale of real estate	(88,315)	(51,430)	(89,344)
NOI from real estate assets sold or held for sale	(1,387)	(8,606)	(2,828)
NOI	$ 362,583	$ 350,881	$ 361,687
Established:			
New England	$ 37,816	$ 36,600	$ 38,854
Metro NY/NJ	60,060	57,860	60,998
Mid-Atlantic	39,147	37,763	39,369
Pacific NW	14,815	14,080	14,674
No. California	63,717	62,495	64,237
So. California	60,551	56,992	59,570
Total Established	276,106	265,790	277,702
Other Stabilized (1)	51,571	54,591	50,689
Development/Redevelopment	34,906	30,500	33,296
NOI	$ 362,583	$ 350,881	$ 361,687

(1) NOI for Q1 2016 Other Stabilized Communities includes $20,306 of business interruption insurance proceeds related to the Edgewater casualty loss.

NOI as reported by the Company does not include the operating results from assets sold or classified as held for sale. A reconciliation of NOI from communities sold or classified as held for sale is as follows (dollars in thousands):

	Q1 2017	Q1 2016
Revenue from real estate assets sold or held for sale	$ 2,650	$ 13,916
Operating expenses from real estate assets sold or held for sale	(1,263)	(5,310)
NOI from real estate assets sold or held for sale	$ 1,387	$ 8,606

Attachment 12

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

Other Stabilized Communities are completed consolidated communities that the Company owns, which have Stabilized Operations as of January 1, 2017. Other Stabilized Communities do not include communities that are conducting or planning to conduct substantial redevelopment activities.

Projected FFO and Projected Core FFO, as provided within this release 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 2017 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) - Q2 2017	$ 1.50	$ 1.56
Depreciation (real estate related)	1.01	1.05
Gain on sale of communities	(0.33)	(0.37)
Projected FFO per share (diluted) - Q2 2017	2.18	2.24
Joint venture income, development pursuit and other write-offs	(0.04)	(0.04)
Lost NOI from casualty losses covered by business interruption insurance	0.01	0.01
Gain on extinguishment of consolidated debt	(0.08)	(0.08)
Projected Core FFO per share (diluted) - Q2 2017	$ 2.07	$ 2.13

Projected NOI, as used within this release for certain Development 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 Communities, Projected NOI is calculated based on the first twelve months of Stabilized Operations 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 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 based on leased rents for occupied homes and management's best estimate of rental levels for homes which are currently unleased, as well as those homes which will become available for lease during the twelve month forward period used to develop Projected NOI. The weighted average Projected NOI as a percentage of Total Capital Cost is weighted based on the Company's share of the Total Capital Cost of each community, based on its percentage ownership.

Attachment 12

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 release 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 release.

Projected Stabilized Yield (also expressed as "weighted average initial stabilized yield" or words of similar meaning) means Projected NOI as a percentage of Total Capital Cost.

Redevelopment Communities are consolidated communities where substantial redevelopment is in progress or is planned to begin during the current year. Redevelopment is considered substantial when capital invested during the reconstruction effort is expected to exceed the lesser of $5,000,000 or 10% of the community's pre-redevelopment basis and is expected to have a material impact on the operations of the community, including occupancy levels and future rental rates.

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 to help investors 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.

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 2017	Q1 2016
Rental revenue (GAAP basis)	$ 388,686	$ 376,754
Concessions amortized	479	932
Concessions granted	(286)	(251)
Rental Revenue with Concessions on a Cash Basis	$ 388,879	$ 377,435
% change -- GAAP revenue		3.2%
% change -- cash revenue		3.0%

Stabilized Operations/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.

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, offset by proceeds from the sale of any associated land or improvements, all as determined in accordance with GAAP. 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.

Attachment 12

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 three months ended March 31, 2017 is as follows (dollars in thousands):

	Q1 2017 NOI
NOI for Established Communities	$ 276,106
NOI for Other Stabilized Communities	51,571
NOI for Development/Redevelopment Communities	34,906
NOI from real estate assets sold or held for sale	1,387
Total NOI generated by real estate assets	363,970
NOI on encumbered assets	70,784
NOI on unencumbered assets	$ 293,186
Unencumbered NOI	81%

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) is 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 a 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 investment period for each respective community, including net sales proceeds.