UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 26, 2015

AVALONBAY COMMUNITIES, INC.
(Exact name of registrant as specified in its charter)

Commission file number 1-12672

Maryland	77-0404318
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

Ballston Tower
671 N. Glebe Rd, Suite 800
Arlington, Virginia 22203
(Address of principal executive offices)(Zip code)

(703) 329-6300
(Registrant's telephone number, including area code)

(Former name, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On October 26, 2015, AvalonBay Communities, Inc. issued a press release announcing its financial results for the third quarter 2015. That release referred to certain attachments with supplemental information that were available on the Company's website. The full text of the press release, including the supplemental information and attachments referred to within the release, are furnished as Exhibit 99.1 and Exhibit 99.2 hereto.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

99.1	Press Release of AvalonBay Communities, Inc. dated October 26, 2015, including Attachments.
99.2	Supplemental discussion of third quarter 2015 operating results (the “Full Release”) dated October 26, 2015, including Attachments.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be filed on its behalf by the undersigned hereunto duly authorized.

AVALONBAY COMMUNITIES, INC.

Dated: October 26, 2015	By:	/s/ Kevin P. O’Shea
		Kevin P. O’Shea
		Chief Financial Officer

Exhibit Index

99.1 Press Release of AvalonBay Communities, Inc. dated October 26, 2015, including Attachments.

99.2 Supplemental discussion of third quarter 2015 operating results (the "Full Release") dated October 26, 2015, including Attachments.

PRESS RELEASE

For Immediate News Release
October 26, 2015

AVALONBAY COMMUNITIES, INC. ANNOUNCES THIRD QUARTER 2015 OPERATING RESULTS

(Arlington, VA) AvalonBay Communities, Inc. (NYSE: AVB) (the "Company") reported today Net Income Attributable to Common Stockholders for the quarter ended September 30, 2015 of $206,142,000. This resulted in Earnings per Share – diluted ("EPS") of $1.53 for the three months ended September 30, 2015, compared to $1.83 per share for the comparable period of 2014, a decrease of 16.4%.

Funds from Operations attributable to common stockholders - diluted ("FFO") per share for the three months ended September 30, 2015 decreased 5.6% to $2.02 from $2.14 for the comparable period of 2014. FFO per share adjusted for items as detailed in the Definitions and Reconciliations of this release ("Core FFO" per share) increased by 11.6% to $1.93 for the three months ended September 30, 2015 over the prior year period.

The increase in Core FFO per share was primarily driven by an increase in Net Operating Income ("NOI") from newly developed and existing operating communities, partially offset by an increase in common shares outstanding. FFO per share decreased for the three months ended September 30, 2015 as compared to the prior year period, primarily due to the recognition of the Company's promoted interest from the sale of Avalon Chrystie Place in the prior year period, offset partially by the gain on extinguishment of debt and factors impacting the increase in Core FFO per share discussed above. The decrease in the Company's EPS was primarily due to the decrease in gains on sale of consolidated and joint venture communities, including the sale of Avalon Chrystie Place in the prior year period, partially offset by an increase in NOI from newly developed and existing operating communities and gains from the extinguishment of debt.

The following table compares the Company's actual results for FFO per share and Core FFO per share for the third quarter of 2015 to its July 2015 outlook:

Third Quarter 2015 Results
Comparison to July 2015 Outlook

	Per Share	
	FFO	Core FFO
Projected per share - July 2015 outlook (1)	$ 2.03	$ 1.92
NOI from communities	0.01	0.01
Acquisition costs and other	(0.02)	—
Q3 2015 per share reported results	$ 2.02	$ 1.93

(1) The mid-point of the Company's July 2015 outlook.

For the nine months ended September 30, 2015, EPS was $4.39 compared to EPS of $4.14 for the comparable period of 2014, an increase of 6.0%. FFO per share for the nine months ended September 30, 2015 increased 10.7% to $6.08 from $5.49 for the comparable period of 2014. Core FFO per share increased by 10.1% to $5.56 for the nine months ended September 30, 2015, over the prior year period.

Commenting on the Company's results, Tim Naughton, Chairman and CEO, said, "Better-than-expected apartment fundamentals and well-executed operating initiatives helped produce our stabilized portfolio's highest rate of sequential rental revenue growth in over a decade. We expect favorable apartment fundamentals to persist, supporting our fourth year of double-digit Core FFO per share growth since 2010."

Operating Results for the Quarter Ended September 30, 2015 Compared to the Prior Year Period

For the Company, including discontinued operations, total revenue increased by $44,835,000, or 10.4%, to $475,360,000. This increase is primarily due to growth in revenue from development communities and growth in Established Community revenue noted below.

For Established Communities, Average Rental Rates increased 5.8%, and were partially offset by a decrease in Economic Occupancy of 0.4%, resulting in an increase in rental revenue of 5.4%. If the Company were to include current and previously completed redevelopment communities in its Established Communities portfolio, the increase in Established Communities' rental revenue would have been 5.7%. Total revenue for Established Communities increased $18,566,000 to $356,163,000. Operating expenses for Established Communities increased $6,572,000, or 6.4%, to $108,520,000. NOI for Established Communities increased $11,994,000, or 5.1%, to $247,643,000.

The following table reflects the percentage changes in rental revenue, operating expenses and NOI for Established Communities for the third quarter of 2015 compared to the third quarter of 2014:

Q3 2015 Compared to Q3 2014

	Rental Revenue				
	Avg Rent Rates	Ec Occ	Opex (1)	NOI	% of NOI (2)
New England	4.5%	(0.1)%	6.6%	3.1%	14.9%
Metro NY/NJ	4.6%	(0.5)%	4.7%	3.7%	25.0%
Mid-Atlantic	0.7%	0.3 %	4.0%	0.3%	15.2%
Pacific NW	8.0%	(0.8)%	12.1%	5.1%	4.9%
No. California	11.0%	(0.9)%	12.5%	9.5%	21.3%
So. California	7.1%	(0.2)%	4.8%	7.9%	18.7%
Total	5.8%	(0.4%)	6.4%	5.1%	100.0%

(1) See the full release for discussion of year over year variances.

(2) Represents each region's % of total NOI for Q3 2015, including amounts related to communities that have been sold or that are classified as held for sale.

Operating Results for the Nine Months Ended September 30, 2015 Compared to the Prior Year Period

For the Company, including discontinued operations, total revenue increased by $130,201,000, or 10.5%, to $1,375,187,000. This increase is primarily due to growth in revenue from development communities and growth in Established Community revenue noted below.

For Established Communities, Average Rental Rates increased 5.1%, and were partially offset by a decrease in Economic Occupancy of 0.2%, resulting in an increase in rental revenue of 4.9%. If the Company were to include current and previously completed redevelopment communities in its Established Communities portfolio, the increase in Established Communities' rental revenue would have been 5.0%. Total revenue for Established Communities increased $48,236,000 to $1,043,282,000. Operating expenses for Established Communities increased $13,050,000, or 4.3%, to $315,895,000. NOI for Established Communities increased $35,186,000, or 5.1%, to $727,387,000.

The following table reflects the percentage changes in rental revenue, operating expenses and NOI for Established Communities for the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014:

YTD 2015 Compared to YTD 2014

	Rental Revenue				
	Avg Rent Rates	Ec Occ	Opex (1)	NOI	% of NOI (2)
New England	3.6%	0.3 %	9.4%	0.6 %	14.0%
Metro NY/NJ	3.8%	(0.5)%	3.5%	3.2 %	25.2%
Mid-Atlantic	0.5%	0.2 %	3.8%	(0.4)%	15.6%
Pacific NW	7.2%	(0.1)%	6.4%	7.3 %	5.1%
No. California	10.0%	(0.7)%	4.6%	10.8 %	21.1%
So. California	6.3%	— %	0.7%	9.1 %	19.0%
Total	5.1%	(0.2)%	4.3%	5.1 %	100.0%

(1) See the full release for discussion of year over year variances.

(2) Represents each region's % of total NOI for YTD 2015, including amounts related to communities that have been sold or that are classified as held for sale.

Development Activity

During the three months ended September 30, 2015, the Company engaged in the following development activity:

The Company completed the development of two communities:

- Avalon Vista, located in Vista, CA; and
- Avalon Roseland, located in Roseland, NJ.

These two communities contain an aggregate of 357 apartment homes and were constructed for an aggregate Total Capital Cost of $103,000,000.

The Company started the construction of three communities:

- Avalon Newcastle I, located in Newcastle, WA;
- Avalon Chino Hills, located in Chino Hills, CA; and
- Avalon Sheepshead Bay, located in Brooklyn, NY.

These communities will contain a total of 889 apartment homes when completed and will be developed for an aggregate estimated Total Capital Cost of $293,400,000.

The Company acquired land for development during the three months ended September 30, 2015 for an aggregate investment of $99,630,000. The Company anticipates starting construction of apartment communities on this land during the next 18 months.

The Company added three development rights during the three months ended September 30, 2015. If developed as expected, these development rights will contain a total of 814 apartment homes and will be developed for an aggregate estimated Total Capital Cost of $275,000,000.

The projected Total Capital Cost of overall development rights decreased to $3.6 billion at September 30, 2015 from $3.7 billion at June 30, 2015.

Disposition Activity

During the three months ended September 30, 2015, the Company sold Avalon Lyndhurst, a wholly-owned community located in Lyndhurst, NJ. Avalon Lyndhurst contains 328 apartment homes and was sold for $99,000,000, resulting in a gain in accordance with GAAP of $35,216,000 and an Economic Gain of $18,028,000. Avalon Lyndhurst yielded an Unleveraged IRR of 8.4% over an investment period of 9.9 years.

Liquidity and Capital Markets

At September 30, 2015, the Company did not have any borrowings outstanding under its $1,300,000,000 unsecured credit facility, and had $420,445,000 in unrestricted cash and cash in escrow.

The Company’s annualized Net Debt-to-Core EBITDA for the third quarter of 2015 was 4.9 times.

During the three months ended September 30, 2015, the Company settled the final 3,890,725 shares of common stock at a settlement price of $146.35 per share, for net proceeds of $569,423,000, pursuant to the forward equity sale contract entered into in September 2014 to sell 4,500,000 shares of common stock, as described in the Company's third quarter 2014 earnings release dated October 27, 2014.

During the three months ended September 30, 2015, the Company repaid a $140,346,000 fixed rate secured mortgage note with an effective interest rate of 5.56% in advance of its May 2053 maturity date, resulting in a recognized gain of $18,987,000, consisting of the write-off of unamortized premium net of deferred financing costs of $30,215,000, partially offset by a prepayment penalty of $11,228,000.

Unconsolidated Real Estate Investments

During the three months ended September 30, 2015, 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 three communities containing an aggregate of 684 apartment homes for an aggregate sales price of $183,100,000. The Company's aggregate share of the gain in accordance with GAAP was $20,066,000. In conjunction with the disposition of these communities, Fund II repaid an aggregate of $59,641,000 of related secured indebtedness in advance of the scheduled maturity dates. This resulted in charges for prepayment penalties and the write-off of deferred financing costs, of which the Company’s portion was $1,365,000, reported as a reduction of joint venture income.

Fourth Quarter and Updated Full Year 2015 Financial Outlook

For the fourth quarter and full year 2015 financial outlook, the Company expects the following:

Projected EPS, Projected FFO and Projected Core FFO Outlook

	Q4 2015			Full Year 2015		
	Low		High	Low		High
Projected EPS	$1.20	-	$1.26	$5.58	-	$5.64
Projected FFO per share	$1.91	-	$1.97	$7.99	-	$8.05
Projected Core FFO per share (1)	$1.95	-	$2.01	$7.51	-	$7.57

(1) Core FFO per share is adjusted for the items detailed in the Definitions and Reconciliations of this release.

Full Year 2015 Revised Financial Outlook

	October 2015			July 2015		
	Low		High	Low		High
Established Communities:						
Rental revenue change	4.9%	-	5.1%	4.5%	-	5.0%
Operating expense change	3.25%	-	3.75%	3.0%	-	4.0%
NOI change	5.4%	-	5.8%	5.0%	-	5.75%

Fourth Quarter Conference Schedule

The Company is scheduled to participate in NAREIT’s REITWorld Conference in Las Vegas, NV from November 17-19, 2015, and UBS’ Global Real Estate CEO/CFO Conference in London, England from December 1-2, 2015. During these conferences, 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 on the Company’s website at http://www.avalonbay.com/events one business day in advance of the conference.

Other Matters

The Company will hold a conference call on October 27, 2015 at 11:00 AM ET to review and answer questions about this release, its third quarter 2015 results, the Attachments (described below) and related matters. To participate on the call, dial 888-466-4442 domestically and 719-325-4856 internationally and use conference id: 366299.

To hear a replay of the call, which will be available from October 27, 2015 at 4:00 PM ET to November 3, 2015 at 4:00 PM ET, dial 888-203-1112 domestically and 719-457-0820 internationally and use conference id: 366299. A webcast of the conference call will also be available at http://www.avalonbay.com/earnings, and an on-line playback of the webcast will be available for at least 30 days following the call.

The Company produces Earnings Release Attachments (the "Attachments") that provide detailed information regarding operating, development, redevelopment, disposition and acquisition activity. These Attachments are considered a part of this earnings release and are available in full with this earnings release via the Company's website 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 October 27, 2015. These supplemental materials will be available on the Company's website for 30 days following the earnings call.

About AvalonBay Communities, Inc.

As of September 30, 2015, the Company owned or held a direct or indirect ownership interest in 282 apartment communities containing 82,851 apartment homes in eleven states and the District of Columbia, of which 27 communities were under construction and eight communities were under reconstruction. 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: the Company's expectations and assumptions as of the date of this release regarding insurance coverage, potential uninsured loss amounts and on-going investigations resulting from the Avalon at Edgewater fire, as well as the ultimate cost and timing of replacing the Edgewater building and achieving stabilized occupancy in the event that the Company chooses to rebuild this community, are subject to change and could materially affect the Company's current expectations regarding the impact of the fire and related loss on the Company's financial condition and results of operations; 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, 2014 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 2015 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 13, "Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms." Attachment 13 is included in the full earnings release available at the Company's website at http://www.avalonbay.com/earnings. This wire distribution includes only definitions and reconciliations of the following non-GAAP financial measures:

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

Core FFO is the Company's FFO as adjusted for the items outlined in the following table (dollars in thousands, except per share data):

	Q3 2015	Q3 2014	YTD 2015	YTD 2014
FFO, actual	$ 271,879	$ 282,221	$ 812,930	$ 717,553
Adjusting Items				
Joint venture costs and (gains) (1)	1,611	2,721	(8,671)	(3,335)
Casualty and impairment loss (gain), net (2)	658	—	(14,863)	—
Lost NOI from Edgewater fire	1,738	—	5,072	—
Early extinguishment of consolidated borrowings	(18,987)	—	(26,736)	412
Gain on sale of real estate	—	—	(9,647)	—
Joint venture promote	—	(57,489)	(21,969)	(57,489)
Income taxes	—	—	997	—
Abandoned pursuits (3)	609	—	1,072	2,564
Acquisition costs	2,514	3	3,454	34
Severance related costs	120	360	1,784	660
Business interruption insurance proceeds	(357)	—	(511)	(587)
Core FFO	$ 259,785	$ 227,816	$ 742,912	$ 659,812
Core FFO per share	$ 1.93	$ 1.73	$ 5.56	$ 5.05
Average shares outstanding - diluted	134,709,460	131,905,995	133,663,770	130,728,000

(1) Amount for Q3 2015 is composed primarily of the Company's portion of yield maintenance charges incurred for the early repayment of debt associated with disposition activity. Amounts for 2014 and YTD 2015 are composed primarily of the Company's proportionate share of gains and operating results for joint ventures formed with Equity Residential as part of the Archstone acquisition.

(2) YTD 2015 amount is composed primarily of insurance proceeds, partially offset by costs from the fire at Edgewater.

(3) Composed of expensed development rights and retail tenant improvements.

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 estimated based on their respective final settlement statements. A reconciliation of Economic Gain (Loss) to gain on sale in accordance with GAAP for the quarter ended September 30, 2015 as well as prior years' activities is presented in the full release.

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 identified by the Company as communities where a comparison of operating results from the prior year to the current year is meaningful, as these communities were owned and had Stabilized Operations, as defined below, as of the beginning of the respective prior year period. Therefore, for 2015 operating results, Established Communities are consolidated communities that have Stabilized Operations as of January 1, 2014 and are not conducting or planning to conduct substantial redevelopment activities within the current year. Established Communities do not include communities that are currently held for sale or planned for disposition during the current year.

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. Management generally considers FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses related to dispositions of previously depreciated operating communities and excluding real estate depreciation (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help one compare the operating performance of a company’s real estate between periods or as compared to different companies. A reconciliation of FFO to Net income attributable to common stockholders is as follows (dollars in thousands):

	Q3 2015	Q3 2014	YTD 2015	YTD 2014
Net income attributable to common stockholders	$ 206,142	$ 241,100	$ 586,610	$ 540,929
Depreciation - real estate assets, including discontinued operations and joint venture adjustments	121,018	113,558	359,195	334,177
Distributions to noncontrolling interests, including discontinued operations	9	9	28	26
Gain on sale of unconsolidated entities holding previously depreciated real estate assets	(20,074)	(72,446)	(30,947)	(72,897)
Gain on sale of previously depreciated real estate assets (1)	(35,216)	—	(106,151)	(84,682)
Impairment due to casualty loss	—	—	4,195	—
FFO attributable to common stockholders	$ 271,879	$ 282,221	$ 812,930	$ 717,553
Average shares outstanding - diluted	134,709,460	131,905,995	133,663,770	130,728,000
Earnings per share - diluted	$ 1.53	$ 1.83	$ 4.39	$ 4.14
FFO per common share - diluted	$ 2.02	$ 2.14	$ 6.08	$ 5.49

(1) YTD 2014 includes the impact of the noncontrolling portion of the gain on sale of community owned by Fund I that was consolidated for financial reporting purposes.

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 third quarter of 2015 are as follows (dollars in thousands):

Net income attributable to common stockholders	$	206,142
Interest expense, net		43,234
Income tax expense		39
Depreciation expense		120,184
EBITDA	$	369,599
NOI from discontinued operations and real estate assets sold or held for sale, not classified as discontinued operations		(843)
Gain on sale of communities		(35,216)
EBITDA after disposition activity	$	333,540
Joint venture income		(20,554)
Casualty and impairment loss (gain), net		658
Lost NOI from Edgewater fire		1,738
Gain on extinguishment of debt, net		(18,987)
Other non-core adjustments (1)		2,886
Core EBITDA	$	299,281
Interest expense, net	$	43,234
Interest Coverage		6.9 times

(1) Refer to the Core FFO definition included in this release.

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 third quarter 2015 Core EBITDA, as adjusted.

Total debt principal (1)	$	6,288,982
Cash and cash in escrow		(420,445)
Net debt	$	5,868,537
Core EBITDA	$	299,281
Core EBITDA, annualized	$	1,197,124
Net Debt-to-Core EBITDA		4.9 times

(1) Balance at September 30, 2015 excludes $6,902 of debt discount as reflected in unsecured notes, net, and $24,647 of debt premium as reflected in notes payable, on the Condensed Consolidated Balance Sheets. The debt premium is primarily related to above market interest rates on debt assumed in connection with the Archstone acquisition.

NOI is defined by the Company as total property revenue less direct property operating expenses (including property taxes), and excludes corporate-level income (including management, development and other fees), corporate-level property management and other indirect operating expenses, investments and investment management expenses, expensed development and other pursuit costs, net interest expense, gain (loss) on extinguishment of debt, general and administrative expense, joint venture income (loss), depreciation expense, impairment loss on land holdings, gain on sale of real estate assets, gain on sale of discontinued operations, income from discontinued operations and NOI from real estate assets held for sale or that have been sold. The Company considers NOI to be an appropriate supplemental measure to Net Income of operating performance of a community or communities because it helps both investors and management to understand the core operations of a community or communities prior to the allocation of corporate-level property management overhead or general and administrative costs. This is more reflective of the operating performance of a community, and allows for an easier comparison of the operating performance of single assets or groups of assets. In addition, because prospective buyers of real estate have different overhead structures, with varying marginal impact to overhead by acquiring real estate, NOI is considered by many in the real estate industry to be a useful measure for determining the value of a real estate asset or groups of assets.

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

	Q3 2015	Q3 2014	Q2 2015	Q1 2015	Q4 2014	YTD 2015	YTD 2014
Net income	$ 206,076	$ 241,001	$ 172,253	$ 208,053	$ 142,530	$ 586,381	$ 554,801
Indirect operating expenses, net of corporate income	13,427	13,173	14,817	15,399	12,721	43,642	36,333
Investments and investment management expense	1,167	1,079	1,073	1,034	1,290	3,274	3,195
Expensed acquisition, development and other pursuit costs, net of recoveries	3,391	406	673	1,187	(6,855)	5,251	3,139
Interest expense, net	43,234	46,376	44,590	45,573	47,987	133,398	132,631
(Gain) loss on extinguishment of debt, net	(18,987)	—	(7,749)	—	—	(26,736)	412
General and administrative expense	10,464	11,233	10,335	10,468	10,715	31,266	30,618
Joint venture income	(20,554)	(130,592)	(13,806)	(34,566)	(5,241)	(68,925)	(143,527)
Depreciation expense	120,184	111,836	118,627	116,853	114,084	355,664	328,598
Income tax expense	39	57	1,293	15	9,332	1,348	127
Casualty and impairment loss (gain), net	658	—	(17,114)	5,788	—	(10,668)	—
Gain on sale of real estate assets	(35,216)	—	(9,625)	(70,958)	(24,470)	(115,798)	(60,945)
Gain on sale of discontinued operations	—	—	—	—	—	—	(37,869)
Income from discontinued operations	—	—	—	—	—	—	(310)
NOI from real estate assets sold or held for sale, not classified as discontinued operations	(843)	(4,144)	(1,353)	(1,437)	(3,540)	(3,634)	(16,666)
NOI	$ 323,040	$ 290,425	$ 314,014	$ 297,409	$ 298,553	$ 934,463	$ 830,537
Established:							
New England	$ 32,202	$ 31,230	$ 30,985	$ 27,839	$ 30,499	$ 91,026	$ 90,441
Metro NY/NJ	68,973	66,515	67,880	65,109	67,486	201,962	195,787
Mid-Atlantic	36,157	36,036	35,938	36,031	36,652	108,125	108,587
Pacific NW	13,502	12,844	13,657	13,373	12,853	40,532	37,768
No. California	53,095	48,503	52,635	49,734	47,645	155,464	140,256
So. California	43,714	40,521	43,046	43,517	41,843	130,278	119,362
Total Established	247,643	235,649	244,141	235,603	236,978	727,387	692,201
Other Stabilized	36,930	33,238	36,536	34,818	36,734	108,283	80,307
Development/Redevelopment	38,467	21,538	33,337	26,988	24,841	98,793	58,029
NOI	$ 323,040	$ 290,425	$ 314,014	$ 297,409	$ 298,553	$ 934,463	$ 830,537

NOI as reported by the Company does not include the operating results from discontinued operations (i.e., assets sold or classified as held for sale at December 31, 2013) or assets sold or classified as held for sale (i.e., assets sold or classified as held for sale at September 30, 2015 that are not otherwise classified as discontinued operations). A reconciliation of NOI from communities sold, classified as discontinued operations or classified as held for sale, to Net Income for these communities is as follows (dollars in thousands):

	Q3 2015	Q3 2014	YTD 2015	YTD 2014
Income from discontinued operations	$ —	$ —	$ —	$ 310
Depreciation expense	—	—	—	—
NOI from discontinued operations	$ —	$ —	$ —	$ 310
Revenue from real estate assets sold or held for sale, not classified as discontinued operations	$ 1,353	$ 6,904	$ 6,162	$ 27,499
Operating expenses from real estate assets sold or held for sale, not classified as discontinued operations	(510)	(2,760)	(2,528)	(10,833)
NOI from real estate assets sold or held for sale, not classified as discontinued operations	$ 843	$ 4,144	$ 3,634	$ 16,666

Other Stabilized Communities as of January 1, 2015 are completed consolidated communities that the Company owns, which did not have stabilized operations as of January 1, 2014, but have stabilized occupancy as of January 1, 2015. Other Stabilized Communities as of January 1, 2015 do not include communities that are planning to conduct substantial redevelopment activities or that are under contract to be sold.

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 fourth quarter and full year of 2015 to the ranges provided for projected EPS (diluted) and corresponding reconciliation of the ranges for Projected FFO per share to the ranges for Core FFO per share are as follows:

	Low Range		High Range	
Projected EPS (diluted) - Q4 2015	$	1.20	$	1.26
Projected depreciation (real estate related)		0.88		0.92
Projected gain on sale of operating communities		(0.17)		(0.21)
Projected FFO per share (diluted) - Q4 2015		1.91		1.97
Early extinguishment of debt		0.01		0.01
Community operating and casualty losses		0.02		0.02
Acquisition costs and other non-core items		0.01		0.01
Projected Core FFO per share (diluted) - Q4 2015	$	1.95	$	2.01
Projected EPS (diluted) - Full Year 2015	$	5.58	$	5.64
Projected depreciation (real estate related)		3.58		3.62
Projected gain on sale of operating communities		(1.20)		(1.24)
Impairment due to casualty loss		0.03		0.03
Projected FFO per share (diluted) - Full Year 2015		7.99		8.05
Non recurring joint venture income and management fees		(0.22)		(0.22)
Community operating and casualty losses		(0.05)		(0.05)
Income taxes		0.01		0.01
Gain on sale of real estate		(0.07)		(0.07)
Early extinguishment of debt		(0.17)		(0.17)
Acquisition costs and other non-core items		0.02		0.02
Projected Core FFO per share (diluted) - Full Year 2015	$	7.51	$	7.57

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.

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 or redevelopment 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.

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):

	Q3 2015	Q3 2014	YTD 2015	YTD 2014
Rental revenue (GAAP basis)	$ 355,451	$ 337,085	$ 1,041,707	$ 993,500
Concessions amortized	195	928	844	3,950
Concessions granted	(132)	(377)	(475)	(2,821)
Rental Revenue with Concessions on a Cash Basis	$ 355,514	$ 337,636	$ 1,042,076	$ 994,629
% change -- GAAP revenue		5.4%		4.9%
% change -- cash revenue		5.3%		4.8%

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

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.

Unencumbered NOI as calculated by the Company represents NOI generated by real estate assets unencumbered by either outstanding secured debt or land leases (excluding land leases with purchase options that were put in place for governmental incentives or tax abatements) 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 nine months ended September 30, 2015 is as follows (dollars in thousands):

	Year To Date NOI
NOI for Established Communities	$ 727,387
NOI for Other Stabilized Communities	108,283
NOI for Development/Redevelopment Communities	98,793
NOI for discontinued operations	—
NOI from real estate assets sold or held for sale, not classified as discontinued operations	3,634
Total NOI generated by real estate assets	938,097
NOI on encumbered assets	216,020
NOI on unencumbered assets	$ 722,077
Unencumbered NOI	77%

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.

PRESS RELEASE

For Immediate News Release
October 26, 2015

AVALONBAY COMMUNITIES, INC. ANNOUNCES THIRD QUARTER 2015 OPERATING RESULTS

(Arlington, VA) AvalonBay Communities, Inc. (NYSE: AVB) (the "Company") reported today Net Income Attributable to Common Stockholders for the quarter ended September 30, 2015 of $206,142,000. This resulted in Earnings per Share – diluted ("EPS") of $1.53 for the three months ended September 30, 2015, compared to $1.83 per share for the comparable period of 2014, a decrease of 16.4%.

Funds from Operations attributable to common stockholders - diluted ("FFO") per share for the three months ended September 30, 2015 decreased 5.6% to $2.02 from $2.14 for the comparable period of 2014. FFO per share adjusted for items as detailed in Attachment 13 ("Core FFO" per share) increased by 11.6% to $1.93 for the three months ended September 30, 2015 over the prior year period.

The increase in Core FFO per share was primarily driven by an increase in Net Operating Income ("NOI") from newly developed and existing operating communities, partially offset by an increase in common shares outstanding. FFO per share decreased for the three months ended September 30, 2015 as compared to the prior year period, primarily due to the recognition of the Company's promoted interest from the sale of Avalon Chrystie Place in the prior year period, offset partially by the gain on extinguishment of debt and factors impacting the increase in Core FFO per share discussed above. The decrease in the Company's EPS was primarily due to the decrease in gains on sale of consolidated and joint venture communities, including the sale of Avalon Chrystie Place in the prior year period, partially offset by an increase in NOI from newly developed and existing operating communities and gains from the extinguishment of debt.

The following table compares the Company's actual results for FFO per share and Core FFO per share for the third quarter of 2015 to its July 2015 outlook:

Third Quarter 2015 Results
Comparison to July 2015 Outlook

	Per Share	
	FFO	Core FFO
Projected per share - July 2015 outlook (1)	$ 2.03	$ 1.92
NOI from communities	0.01	0.01
Acquisition costs and other	(0.02)	—
Q3 2015 per share reported results	$ 2.02	$ 1.93

(1) The mid-point of the Company's July 2015 outlook.

For the nine months ended September 30, 2015, EPS was $4.39 compared to EPS of $4.14 for the comparable period of 2014, an increase of 6.0%. FFO per share for the nine months ended September 30, 2015 increased 10.7% to $6.08 from $5.49 for the comparable period of 2014. Core FFO per share increased by 10.1% to $5.56 for the nine months ended September 30, 2015, over the prior year period.

Commenting on the Company's results, Tim Naughton, Chairman and CEO, said, "Better-than-expected apartment fundamentals and well-executed operating initiatives helped produce our stabilized portfolio's highest rate of sequential rental revenue growth in over a decade. We expect favorable apartment fundamentals to persist, supporting our fourth year of double-digit Core FFO per share growth since 2010."

Operating Results for the Quarter Ended September 30, 2015 Compared to the Prior Year Period

For the Company, including discontinued operations, total revenue increased by $44,835,000, or 10.4%, to $475,360,000. This increase is primarily due to growth in revenue from development communities and growth in Established Community revenue noted below.

For Established Communities, Average Rental Rates increased 5.8%, and were partially offset by a decrease in Economic Occupancy of 0.4%, resulting in an increase in rental revenue of 5.4%. If the Company were to include current and previously completed Redevelopment Communities in its Established Communities portfolio, the increase in Established Communities' rental revenue would have been 5.7%. Total revenue for Established Communities increased $18,566,000 to $356,163,000. Operating expenses for Established Communities increased $6,572,000, or 6.4%, to $108,520,000. NOI for Established Communities increased $11,994,000, or 5.1%, to $247,643,000.

The following table reflects the percentage changes in rental revenue, operating expenses and NOI for Established Communities for the third quarter of 2015 compared to the third quarter of 2014:

Q3 2015 Compared to Q3 2014

	Rental Revenue				
	Avg Rent Rates	Ec Occ	Opex (1)	NOI	% of NOI (2)
New England	4.5%	(0.1)%	6.6%	3.1%	14.9%
Metro NY/NJ	4.6%	(0.5)%	4.7%	3.7%	25.0%
Mid-Atlantic	0.7%	0.3 %	4.0%	0.3%	15.2%
Pacific NW	8.0%	(0.8)%	12.1%	5.1%	4.9%
No. California	11.0%	(0.9)%	12.5%	9.5%	21.3%
So. California	7.1%	(0.2)%	4.8%	7.9%	18.7%
Total	5.8%	(0.4%)	6.4%	5.1%	100.0%

(1) See Attachment 7, Operating Expenses ("Opex"), for discussion of year over year variances.

(2) Represents each region's % of total NOI for Q3 2015, including amounts related to communities that have been sold or that are classified as held for sale.

Operating Results for the Nine Months Ended September 30, 2015 Compared to the Prior Year Period

For the Company, including discontinued operations, total revenue increased by $130,201,000, or 10.5%, to $1,375,187,000. This increase is primarily due to growth in revenue from development communities and growth in Established Community revenue noted below.

For Established Communities, Average Rental Rates increased 5.1%, and were partially offset by a decrease in Economic Occupancy of 0.2%, resulting in an increase in rental revenue of 4.9%. If the Company were to include current and previously completed Redevelopment Communities in its Established Communities portfolio, the increase in Established Communities' rental revenue would have been 5.0%. Total revenue for Established Communities increased $48,236,000 to $1,043,282,000. Operating expenses for Established Communities increased $13,050,000, or 4.3%, to $315,895,000. NOI for Established Communities increased $35,186,000, or 5.1%, to $727,387,000.

The following table reflects the percentage changes in rental revenue, operating expenses and NOI for Established Communities for the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014:

YTD 2015 Compared to YTD 2014

	Rental Revenue				
	Avg Rent Rates	Ec Occ	Opex (1)	NOI	% of NOI (2)
New England	3.6%	0.3 %	9.4%	0.6 %	14.0%
Metro NY/NJ	3.8%	(0.5)%	3.5%	3.2 %	25.2%
Mid-Atlantic	0.5%	0.2 %	3.8%	(0.4)%	15.6%
Pacific NW	7.2%	(0.1)%	6.4%	7.3 %	5.1%
No. California	10.0%	(0.7)%	4.6%	10.8 %	21.1%
So. California	6.3%	— %	0.7%	9.1 %	19.0%
Total	5.1%	(0.2)%	4.3%	5.1 %	100.0%

(1) See Attachment 7, Operating Expenses ("Opex"), for discussion of year over year variances.

(2) Represents each region's % of total NOI for YTD 2015, including amounts related to communities that have been sold or that are classified as held for sale.

Development Activity

During the three months ended September 30, 2015, the Company engaged in the following development activity:

The Company completed the development of two communities:

- Avalon Vista, located in Vista, CA; and
- Avalon Roseland, located in Roseland, NJ.

These two communities contain an aggregate of 357 apartment homes and were constructed for an aggregate Total Capital Cost of $103,000,000.

The Company started the construction of three communities:

- Avalon Newcastle I, located in Newcastle, WA;
- Avalon Chino Hills, located in Chino Hills, CA; and
- Avalon Sheepshead Bay, located in Brooklyn, NY.

These communities will contain a total of 889 apartment homes when completed and will be developed for an aggregate estimated Total Capital Cost of $293,400,000.

The Company acquired land for development during the three months ended September 30, 2015 for an aggregate investment of $99,630,000. The Company anticipates starting construction of apartment communities on this land during the next 18 months.

The Company added three Development Rights during the three months ended September 30, 2015. If developed as expected, these Development Rights will contain a total of 814 apartment homes and will be developed for an aggregate estimated Total Capital Cost of $275,000,000.

The projected Total Capital Cost of overall Development Rights decreased to $3.6 billion at September 30, 2015 from $3.7 billion at June 30, 2015.

Disposition Activity

During the three months ended September 30, 2015, the Company sold Avalon Lyndhurst, a wholly-owned community located in Lyndhurst, NJ. Avalon Lyndhurst contains 328 apartment homes and was sold for $99,000,000, resulting in a gain in accordance with GAAP of $35,216,000 and an Economic Gain of $18,028,000. Avalon Lyndhurst yielded an Unleveraged IRR of 8.4% over an investment period of 9.9 years.

Liquidity and Capital Markets

At September 30, 2015, the Company did not have any borrowings outstanding under its $1,300,000,000 unsecured credit facility, and had $420,445,000 in unrestricted cash and cash in escrow.

The Company's annualized Net Debt-to-Core EBITDA for the third quarter of 2015 was 4.9 times.

During the three months ended September 30, 2015, the Company settled the final 3,890,725 shares of common stock at a settlement price of $146.35 per share, for net proceeds of $569,423,000, pursuant to the forward equity sale contract entered into in September 2014 to sell 4,500,000 shares of common stock, as described in the Company's third quarter 2014 earnings release dated October 27, 2014.

During the three months ended September 30, 2015, the Company repaid a $140,346,000 fixed rate secured mortgage note with an effective interest rate of 5.56% in advance of its May 2053 maturity date, resulting in a recognized gain of $18,987,000, consisting of the write-off of unamortized premium net of deferred financing costs of $30,215,000, partially offset by a prepayment penalty of $11,228,000.

Unconsolidated Real Estate Investments

During the three months ended September 30, 2015, 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 three communities containing an aggregate of 684 apartment homes for an aggregate sales price of $183,100,000. The Company's aggregate share of the gain in accordance with GAAP was $20,066,000. In conjunction with the disposition of these communities, Fund II repaid an aggregate of $59,641,000 of related secured indebtedness in advance of the scheduled maturity dates. This resulted in charges for prepayment penalties and the write-off of deferred financing costs, of which the Company's portion was $1,365,000, reported as a reduction of joint venture income.

Fourth Quarter and Updated Full Year 2015 Financial Outlook

For the fourth quarter and full year 2015 financial outlook, the Company expects the following:

Projected EPS, Projected FFO and Projected Core FFO Outlook

	Q4 2015			Full Year 2015		
	Low		High	Low		High
Projected EPS	$1.20	-	$1.26	$5.58	-	$5.64
Projected FFO per share	$1.91	-	$1.97	$7.99	-	$8.05
Projected Core FFO per share (1)	$1.95	-	$2.01	$7.51	-	$7.57

(1) Core FFO per share is adjusted for the items detailed in Attachment 13.

Full Year 2015 Revised Financial Outlook

	October 2015			July 2015		
	Low		High	Low		High
Established Communities:						
Rental revenue change	4.9%	-	5.1%	4.5%	-	5.0%
Operating expense change	3.25%	-	3.75%	3.0%	-	4.0%
NOI change	5.4%	-	5.8%	5.0%	-	5.75%

Fourth Quarter Conference Schedule

The Company is scheduled to participate in NAREIT's REITWorld Conference in Las Vegas, NV from November 17-19, 2015, and UBS' Global Real Estate CEO/CFO Conference in London, England from December 1-2, 2015. During these conferences, 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 on the Company's website at http://www.avalonbay.com/events one business day in advance of the conference.

Other Matters

The Company will hold a conference call on October 27, 2015 at 11:00 AM ET to review and answer questions about this release, its third quarter 2015 results, the Attachments (described below) and related matters. To participate on the call, dial 888-466-4442 domestically and 719-325-4856 internationally and use conference id: 366299.

To hear a replay of the call, which will be available from October 27, 2015 at 4:00 PM ET to November 3, 2015 at 4:00 PM ET, dial 888-203-1112 domestically and 719-457-0820 internationally and use conference id: 366299. A webcast of the conference call will also be available at http://www.avalonbay.com/earnings, and an on-line playback of the webcast will be available for at least 30 days following the call.

The Company produces Earnings Release Attachments (the "Attachments") that provide detailed information regarding operating, development, redevelopment, disposition and acquisition activity. These Attachments are considered a part of this earnings release and are available in full with this earnings release via the Company's website 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 October 27, 2015. These supplemental materials will be available on the Company's website for 30 days following the earnings call.

About AvalonBay Communities, Inc.

As of September 30, 2015, the Company owned or held a direct or indirect ownership interest in 282 apartment communities containing 82,851 apartment homes in eleven states and the District of Columbia, of which 27 communities were under construction and eight communities were under reconstruction. 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.

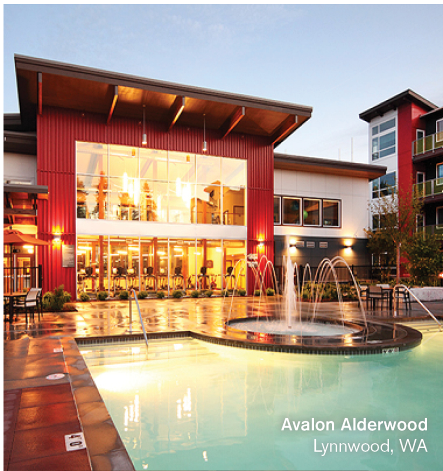
Forward-Looking Statements

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: the Company's expectations and assumptions as of the date of this release regarding insurance coverage, potential uninsured loss amounts and on-going investigations resulting from the Avalon at Edgewater fire, as well as the ultimate cost and timing of replacing the Edgewater building and achieving stabilized occupancy in the event that the Company chooses to rebuild this community, are subject to change and could materially affect the Company's current expectations regarding the impact of the fire and related loss on the Company's financial condition and results of operations; 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, 2014 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 2015 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 13, "Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms." Attachment 13 is included in the full earnings release available at the Company's website at http://www.avalonbay.com/earnings.


Avalon Alderwood
Lynnwood, WA


eaves Creekside
Mountain View, CA

AVA High Line
New York, NY

THIRD QUARTER 2015
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

THIRD QUARTER 2015

Supplemental Operating and Financial Data

Table of Contents

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 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 to which these attachments relate. 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, 2014 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
September 30, 2015
(Dollars in thousands except per share data)
(unaudited)

	Q3 2015	Q3 2014	% Change	YTD 2015	YTD 2014	% Change
Revenue:						
Rental and other income	$ 473,199	$ 428,022	10.6 %	$ 1,367,473	$ 1,236,154	10.6 %
Management, development and other fees	2,161	2,503	(13.7)%	7,714	8,253	(6.5)%
Total	475,360	430,525	10.4 %	1,375,187	1,244,407	10.5 %
Operating expenses:						
Direct property operating expenses, excluding property taxes	98,793	88,412	11.7 %	285,730	256,920	11.2 %
Property taxes	50,416	44,996	12.0 %	143,505	131,920	8.8 %
Property management and other indirect operating expenses	15,695	15,721	(0.2)%	51,497	44,697	15.2 %
Total operating expenses	164,904	149,129	10.6 %	480,732	433,537	10.9 %
Interest expense, net	(43,234)	(46,376)	(6.8)%	(133,398)	(132,631)	0.6 %
Gain (loss) on extinguishment of debt, net	18,987	—	100.0 %	26,736	(412)	N/A
General and administrative expense	(10,464)	(11,233)	(6.8)%	(31,266)	(30,618)	2.1 %
Joint venture income (1)	20,554	130,592	(84.3)%	68,925	143,527	(52.0)%
Investments and investment management	(1,167)	(1,079)	8.2 %	(3,274)	(3,195)	2.5 %
Expensed acquisition, development and other pursuit costs, net of recoveries	(3,391)	(406)	735.2 %	(5,251)	(3,139)	67.3 %
Depreciation expense	(120,184)	(111,836)	7.5 %	(355,664)	(328,598)	8.2 %
Income tax expense	(39)	(57)	(31.6)%	(1,348)	(127)	961.4 %
Casualty and impairment (loss) gain, net (2)	(658)	—	100.0 %	10,668	—	100.0 %
Gain on sale of real estate (3)	—	—	— %	9,647	—	100.0 %
Gain on sale of communities (4)	35,216	—	100.0 %	106,151	60,945	74.2 %
Income from continuing operations	206,076	241,001	(14.5)%	586,381	516,622	13.5 %
Discontinued operations:						
Income from discontinued operations	—	—	— %	—	310	(100.0)%
Gain on sale of discontinued operations	—	—	— %	—	37,869	(100.0)%
Total discontinued operations	—	—	— %	—	38,179	(100.0)%
Net income	206,076	241,001	(14.5)%	586,381	554,801	5.7 %
Net loss (income) attributable to noncontrolling interests	66	99	— %	229	(13,872)	— %
Net income attributable to common stockholders	$ 206,142	$ 241,100	(14.5)%	$ 586,610	$ 540,929	8.4 %
Net income attributable to common stockholders per common share - basic	$ 1.54	$ 1.83	(15.8)%	$ 4.42	$ 4.15	6.5 %
Net income attributable to common stockholders per common share - diluted	$ 1.53	$ 1.83	(16.4)%	$ 4.39	$ 4.14	6.0 %
Funds from Operations	$ 271,879	$ 282,221	(3.7)%	$ 812,930	$ 717,553	13.3 %
Per common share - diluted	$ 2.02	$ 2.14	(5.6)%	$ 6.08	$ 5.49	10.7 %
Dividends declared - common	$ 171,094	$ 153,119	11.7 %	$ 502,440	$ 455,531	10.3 %
Per common share	$ 1.25	$ 1.16	7.8 %	$ 3.75	$ 3.48	7.8 %
Average shares and participating securities outstanding - basic	133,973,114	131,529,503	1.9 %	132,843,895	130,372,780	1.9 %
Average shares outstanding - diluted	134,709,460	131,905,995	2.1 %	133,663,770	130,728,000	2.2 %
Total outstanding common shares and operating partnership units	136,884,253	132,014,335	3.7 %	136,884,253	132,014,335	3.7 %

(1) Amounts for the three and nine months ended September 30, 2015 include $20,232 and $44,039, respectively, in disposition gains, legal settlements and distributions associated with the wind down of joint ventures. In addition, the amount for the nine months ended September 30, 2015 includes income of $20,680 from a joint venture partner's buyout of the Company's promoted interest in future distributions of MVP I, LLC. Amounts for the three and nine months ended September 30, 2014 include $107,967 of recognized gains and the Company's promoted interest from the sale of Avalon Chrystie Place.

(2) Casualty and impairment (loss) gain, net for the three months ended September 30, 2015 includes $658 of demolition and additional incident expenses for Edgewater. Amount for the nine months ended September 30, 2015 includes $44,142 of insurance proceeds received, partially offset by $28,479 for the write-off of real estate and related costs from Edgewater, and a casualty loss of $4,195 related to severe winter storms in the Company's Northeast markets.

(3) Amount for the nine months ended September 30, 2015 includes gain on the sale of air rights and two undeveloped land parcels.

(4) Gain on sale of communities for the nine months ended September 30, 2014 includes $16,656 related to the sale of a community owned by Fund I that was consolidated for financial reporting purposes. The Company's joint venture partners' 85% interest in this gain of $14,132 is reported as a component of net loss (income) attributable to noncontrolling interests.

Attachment 2

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

	September 30, 2015	December 31, 2014
Real estate	$ 16,906,948	$ 16,093,718
Less accumulated depreciation	(3,212,258)	(2,874,578)
Net operating real estate	13,694,690	13,219,140
Construction in progress, including land	1,542,201	1,417,246
Land held for development	553,729	180,516
Operating real estate assets held for sale, net	—	118,838
Total real estate, net	15,790,620	14,935,740
Cash and cash equivalents	318,557	509,460
Cash in escrow	101,888	95,625
Resident security deposits	30,875	29,617
Investments in unconsolidated real estate entities	268,647	298,315
Other assets	271,392	307,966
Total assets	$ 16,781,979	$ 16,176,723
Unsecured notes, net	$ 3,568,098	$ 2,993,265
Unsecured credit facility	—	—
Notes payable	2,738,629	3,532,587
Resident security deposits	54,048	49,189
Liabilities related to assets held for sale	—	1,492
Other liabilities	581,239	541,020
Total liabilities	$ 6,942,014	$ 7,117,553
Redeemable noncontrolling interests	10,512	12,765
Equity	9,829,453	9,046,405
Total liabilities and equity	$ 16,781,979	$ 16,176,723

Attachment 3

AvalonBay Communities, Inc.
Sequential Operating Information by Business Segment (1)
September 30, 2015
(Dollars in thousands)
(unaudited)

	Total Apartment Homes	Quarter Ended September 30, 2015	Quarter Ended June 30, 2015	Quarter Ended March 31, 2015	Quarter Ended December 31, 2014
RENTAL REVENUE (2)					
Established (3)	51,794	$ 355,451	$ 346,559	$ 339,697	$ 338,137
Other Stabilized (3) (4)	8,999	55,234	54,197	53,690	53,282
Redevelopment (3)	3,998	28,445	27,314	26,635	26,530
Development (3)	11,911	30,624	23,157	16,213	11,634
Total Consolidated Communities	76,702	$ 469,754	$ 451,227	$ 436,235	$ 429,583
OPERATING EXPENSE					
Established		$ 108,520	$ 102,854	$ 104,521	$ 101,985
Other Stabilized (4)		19,547	18,149	19,266	17,719
Redevelopment		9,285	8,626	9,202	8,616
Development		11,360	8,593	6,836	5,219
Total Consolidated Communities		$ 148,712	$ 138,222	$ 139,825	$ 133,539
NOI (3)					
Established		$ 247,643	$ 244,141	$ 235,603	$ 236,978
Other Stabilized (4)		36,930	36,536	34,818	36,734
Redevelopment		19,192	18,692	17,438	18,356
Development		19,275	14,645	9,550	6,485
Total Consolidated Communities		$ 323,040	$ 314,014	$ 297,409	$ 298,553
AVERAGE REVENUE PER OCCUPIED HOME (5)					
Established		$ 2,400	$ 2,332	$ 2,278	$ 2,268
Other Stabilized (4)		$ 2,139	$ 2,091	$ 2,046	$ 2,035
Redevelopment		$ 2,512	$ 2,415	$ 2,352	$ 2,327
ECONOMIC OCCUPANCY (5)					
Established		95.3%	95.6%	96.0%	95.9%
Other Stabilized (4)		95.0%	95.3%	96.0%	93.7%
Redevelopment		94.4%	94.3%	94.4%	95.1%
ESTABLISHED COMMUNITIES TURNOVER					
Current year period / Prior year period (6)		68.6% / 67.4%	59.6% / 58.3%	41.3% / 44.7%	45.1% / 49.4%
Current year period YTD / Prior year period YTD (6)		56.6% / 56.9%			53.9% / 56.2%

(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 #13 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

(4) Results for these communities for quarters prior to January 1, 2015 may reflect community operations prior to stabilization, including periods of lease-up, such that occupancy levels are below what would be considered stabilized. Q1 2015 average revenue per occupied home is based on the weighted average number of homes available for Edgewater.

(5) For per home rent projections and economic occupancy for Development Communities currently under construction and/or completed in Q3 2015 see Attachment #8, Development Communities.

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

(7) Redevelopment Communities includes eight communities containing 2,675 apartment homes that are currently under active Redevelopment as of September 30, 2015.

CAPITALIZED COSTS

	Cap Interest	Cap Overhead	Non-Rev Capex per Home
Q315	$20,356	$10,559	$210
Q215	$19,800	$11,180	$110
Q115	$19,030	$10,762	$113
Q414	$15,667	$12,045	$182

Q314	$15,989	$8,775	$185

REDEVELOPMENT COMMUNITIES (7)

	Total Capital Cost	Remaining to Invest
Q315	$116,800	$82,100

Attachment 4

AvalonBay Communities, Inc.
Quarterly Rental Revenue and Occupancy Changes - Established Communities (1)
September 30, 2015

	Apartment Homes	Average Rental Rates (2)			Economic Occupancy			Rental Revenue ($000s) (3) (4)		
		Q3 15	Q3 14	% Change	Q3 15	Q3 14	% Change	Q3 15	Q3 14	% Change
New England										
Boston, MA	5,348	$ 2,310	$ 2,202	4.9%	95.5%	95.7%	(0.2)%	$ 35,392	$ 33,817	4.7%
Fairfield-New Haven, CT	2,269	2,309	2,227	3.7%	95.3%	95.3%	— %	14,978	14,449	3.7%
New England Average	7,617	2,309	2,209	4.5%	95.5%	95.6%	(0.1)%	50,370	48,266	4.4%
Metro NY/NJ										
New York City, NY	3,373	3,868	3,658	5.7%	96.2%	96.5%	(0.3)%	37,651	35,714	5.4%
New York - Suburban	4,464	2,835	2,732	3.8%	95.0%	95.8%	(0.8)%	36,090	35,029	3.0%
New Jersey	3,718	2,311	2,222	4.0%	95.3%	95.7%	(0.4)%	24,570	23,709	3.6%
Metro NY/NJ Average	11,555	2,968	2,838	4.6%	95.5%	96.0%	(0.5)%	98,311	94,452	4.1%
Mid-Atlantic										
Washington Metro/Baltimore, MD	8,789	2,090	2,076	0.7%	95.4%	95.1%	0.3 %	52,545	52,034	1.0%
Mid-Atlantic Average	8,789	2,090	2,076	0.7%	95.4%	95.1%	0.3 %	52,545	52,034	1.0%
Pacific Northwest										
Seattle, WA	3,444	2,005	1,856	8.0%	94.0%	94.8%	(0.8)%	19,469	18,157	7.2%
Pacific Northwest Average	3,444	2,005	1,856	8.0%	94.0%	94.8%	(0.8)%	19,469	18,157	7.2%
Northern California										
San Jose, CA	3,373	2,610	2,351	11.0%	94.5%	95.3%	(0.8)%	24,954	22,654	10.2%
Oakland-East Bay, CA	2,934	2,293	2,047	12.0%	95.6%	96.1%	(0.5)%	19,285	17,298	11.5%
San Francisco, CA	2,894	3,097	2,807	10.3%	94.9%	96.1%	(1.2)%	25,521	23,403	9.1%
Northern California Average	9,201	2,662	2,398	11.0%	94.9%	95.8%	(0.9)%	69,760	63,355	10.1%
Southern California										
Los Angeles, CA	7,269	2,061	1,920	7.3%	95.8%	96.4%	(0.6)%	43,062	40,352	6.7%
Orange County, CA	2,657	1,974	1,845	7.0%	95.4%	95.4%	0.0 %	15,012	14,029	7.0%
San Diego, CA	1,262	1,902	1,780	6.9%	96.1%	95.5%	0.6 %	6,922	6,440	7.5%
Southern California Average	11,188	2,022	1,888	7.1%	95.8%	96.0%	(0.2)%	64,996	60,821	6.9%
Average/Total Established	51,794	$ 2,400	$ 2,268	5.8%	95.3%	95.7%	(0.4)%	$ 355,451	$ 337,085	5.4%

(1) Established Communities are communities with stabilized occupancy and operating expenses as of January 1, 2014 such that a comparison of Q3 2014 to Q3 2015 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 5.3% from Q3 2014 to Q3 2015.
(4) If the Company were to include planned, current and previously completed Redevelopment Communities in its Established Communities portfolio, the increase in Established Communities' rental revenue would have been 5.7%.

Attachment 5

AvalonBay Communities, Inc.
***Sequential Quarterly* Rental Revenue and Occupancy Changes - Established Communities**
September 30, 2015

	Apartment Homes	Average Rental Rates (1)			Economic Occupancy			Rental Revenue ($000s) (2)		
		Q3 15	Q2 15	% Change	Q3 15	Q2 15	% Change	Q3 15	Q2 15	% Change
New England										
Boston, MA	5,348	$ 2,310	$ 2,235	3.4%	95.5%	95.9%	(0.4)%	$ 35,392	$ 34,402	2.9%
Fairfield-New Haven, CT	2,269	2,309	2,231	3.5%	95.3%	96.1%	(0.8)%	14,978	14,597	2.6%
New England Average	7,617	2,309	2,234	3.4%	95.5%	96.0%	(0.5)%	50,370	48,999	2.8%
Metro NY/NJ										
New York City, NY	3,373	3,868	3,763	2.8%	96.2%	95.6%	0.6 %	37,651	36,398	3.4%
New York - Suburban	4,464	2,835	2,773	2.2%	95.0%	95.6%	(0.6)%	36,090	35,490	1.7%
New Jersey	3,718	2,311	2,261	2.2%	95.3%	95.9%	(0.6)%	24,570	24,187	1.6%
Metro NY/NJ Average	11,555	2,968	2,897	2.5%	95.5%	95.7%	(0.2)%	98,311	96,075	2.3%
Mid-Atlantic										
Washington Metro/Baltimore, MD	8,789	2,090	2,075	0.7%	95.4%	95.5%	(0.1)%	52,545	52,240	0.6%
Mid-Atlantic Average	8,789	2,090	2,075	0.7%	95.4%	95.5%	(0.1)%	52,545	52,240	0.6%
Pacific Northwest										
Seattle, WA	3,444	2,005	1,925	4.2%	94.0%	95.6%	(1.6)%	19,469	19,013	2.4%
Pacific Northwest Average	3,444	2,005	1,925	4.2%	94.0%	95.6%	(1.6)%	19,469	19,013	2.4%
Northern California										
San Jose, CA	3,373	2,610	2,483	5.1%	94.5%	96.0%	(1.5)%	24,954	24,113	3.5%
Oakland-East Bay, CA	2,934	2,293	2,190	4.7%	95.6%	95.1%	0.5 %	19,285	18,339	5.2%
San Francisco, CA	2,894	3,097	2,978	4.0%	94.9%	95.3%	(0.4)%	25,521	24,631	3.6%
Northern California Average	9,201	2,662	2,545	4.6%	94.9%	95.5%	(0.6)%	69,760	67,083	4.0%
Southern California										
Los Angeles, CA	7,269	2,061	2,006	2.7%	95.8%	95.9%	(0.1)%	43,062	41,926	2.7%
Orange County, CA	2,657	1,974	1,915	3.1%	95.4%	95.7%	(0.3)%	15,012	14,606	2.8%
San Diego, CA	1,262	1,902	1,848	2.9%	96.1%	94.6%	1.5 %	6,922	6,617	4.6%
Southern California Average	11,188	2,022	1,967	2.8%	95.8%	95.7%	0.1 %	64,996	63,149	2.9%
Average/Total Established	51,794	$ 2,400	$ 2,332	2.9%	95.3%	95.6%	(0.3)%	$ 355,451	$ 346,559	2.6%

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

(2) If the Company were to include planned, current and previously completed Redevelopment Communities in its Established Communities portfolio, the increase in Established Communities' rental revenue would have been 2.7%.

Attachment 6

AvalonBay Communities, Inc.
Year To Date Rental Revenue and Occupancy Changes - Established Communities (1)
September 30, 2015

	Apartment Homes	Average Rental Rates (2)			Economic Occupancy			Rental Revenue ($000's) (3) (4)		
		Year to Date 2015	Year to Date 2014	% Change	Year to Date 2015	Year to Date 2014	% Change	Year to Date 2015	Year to Date 2014	% Change
New England										
Boston, MA	5,348	$ 2,246	$ 2,159	4.0%	95.6%	95.3%	0.3 %	$ 103,294	$ 99,000	4.3%
Fairfield-New Haven, CT	2,269	2,240	2,188	2.4%	95.8%	95.3%	0.5 %	43,833	42,582	2.9%
New England Average	7,617	2,244	2,165	3.6%	95.6%	95.3%	0.3 %	147,127	141,582	3.9%
Metro NY/NJ										
New York City, NY	3,373	3,781	3,620	4.4%	95.6%	96.2%	(0.6)%	109,696	105,654	3.8%
New York - Suburban	4,464	2,773	2,682	3.4%	95.5%	96.3%	(0.8)%	106,378	103,711	2.6%
New Jersey	3,718	2,250	2,167	3.8%	96.1%	96.2%	(0.1)%	72,355	69,798	3.7%
Metro NY/NJ Average	11,555	2,899	2,792	3.8%	95.7%	96.2%	(0.5)%	288,429	279,163	3.3%
Mid-Atlantic										
Washington Metro/Baltimore, MD	8,789	2,071	2,061	0.5%	95.5%	95.3%	0.2 %	156,472	155,404	0.7%
Mid-Atlantic Average	8,789	2,071	2,061	0.5%	95.5%	95.3%	0.2 %	156,472	155,404	0.7%
Pacific Northwest										
Seattle, WA	3,444	1,930	1,800	7.2%	95.2%	95.3%	(0.1)%	56,932	53,164	7.1%
Pacific Northwest Average	3,444	1,930	1,800	7.2%	95.2%	95.3%	(0.1)%	56,932	53,164	7.1%
Northern California										
San Jose, CA	3,373	2,497	2,257	10.6%	95.7%	96.1%	(0.4)%	72,542	65,844	10.2%
Oakland-East Bay, CA	2,934	2,196	1,973	11.3%	95.5%	96.6%	(1.1)%	55,417	50,290	10.2%
San Francisco, CA	2,894	2,990	2,752	8.6%	95.5%	96.3%	(0.8)%	74,345	68,958	7.8%
Northern California Average	9,201	2,556	2,323	10.0%	95.6%	96.3%	(0.7)%	202,304	185,092	9.3%
Southern California										
Los Angeles, CA	7,269	2,011	1,892	6.3%	96.1%	96.2%	(0.1)%	126,396	119,040	6.2%
Orange County, CA	2,657	1,923	1,804	6.6%	95.7%	95.2%	0.5 %	44,003	41,104	7.1%
San Diego, CA	1,262	1,853	1,745	6.2%	95.3%	95.7%	(0.4)%	20,044	18,951	5.8%
Southern California Average	11,188	1,972	1,855	6.3%	95.9%	95.9%	— %	190,443	179,095	6.3%
Average/Total Established	51,794	$ 2,337	$ 2,224	5.1%	95.6%	95.8%	(0.2)%	$ 1,041,707	$ 993,500	4.9%

(1) Established Communities are communities with stabilized occupancy and operating expenses as of January 1, 2014 such that a comparison of 2014 to 2015 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 4.8% between years.
(4) If the Company were to include planned, current and previously completed Redevelopment Communities in its Established Communities portfolio, the increase in Established Communities' rental revenue would have been 5.0%.

Attachment 7

AvalonBay Communities, Inc.
Operating Expenses ("Opex") - Established Communities (1)
September 30, 2015
(Dollars in thousands)
(unaudited)

	Q3 2015	Q3 2014	% Change	Q3 2015 % of Total Opex	YTD 2015	YTD 2014	% Change	YTD 2015 % of Total Opex
Property taxes (2)	$ 37,183	$ 34,270	8.5 %	34.3%	$ 106,176	$ 102,353	3.7 %	33.6%
Payroll (3)	22,794	22,344	2.0 %	21.0%	69,425	66,435	4.5 %	22.0%
Repairs & maintenance (4)	19,902	18,231	9.2 %	18.3%	55,157	50,647	8.9 %	17.5%
Office operations (5)	10,553	10,597	(0.4)%	9.7%	32,064	32,683	(1.9)%	10.1%
Utilities (6)	10,674	10,261	4.0 %	9.8%	33,030	32,731	0.9 %	10.4%
Insurance (7)	4,281	3,545	20.8 %	4.0%	11,958	10,689	11.9 %	3.8%
Marketing (8)	3,133	2,700	16.0 %	2.9%	8,085	7,307	10.6 %	2.6%
Total Established Communities Operating Expenses (9)	**$ 108,520**	**$ 101,948**	**6.4 %**	**100.0%**	**$ 315,895**	**$ 302,845**	**4.3 %**	**100.0%**

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

(2) Property taxes increased for the three and nine months ended September 30, 2015 over the respective prior year periods primarily due to successful appeals and reductions of supplemental taxes in the prior year period in excess of the current year period related to the Company's West Coast markets. The increase is also due to an increases in rates and assessments, particularly in the Company's East Coast markets.

(3) Payroll includes expenses directly related to on-site operations and increased for the three and nine months ended September 30, 2015 over the prior year periods due to increased on-site payroll costs, partially offset by a decrease in third-party labor costs in office operations. The increase for the nine months ended September 30, 2015 is also due to increased benefits costs from higher medical claims and compliance with the provisions of the Affordable Care Act.

(4) Repairs and maintenance increased for the three and nine months ended September 30, 2015 over the prior year periods, primarily due to increased turnover costs and the timing of maintenance expenses as compared to the prior year period. The increase for the nine months ended September 30, 2015 is also due to snow removal and other costs related to severe winter storms in the Company's Northeast markets in the first quarter of 2015 and a decrease in damage receipts as compared to the prior year period.

(5) Office operations includes administrative costs, land lease expense, bad debt expense and association and license fees. The decrease for the nine months ended September 30, 2015 from the prior year period is primarily due to a decrease in rent write-offs and a decrease in third-party labor costs, which partially offset the increase in payroll expense.

(6) Utilities represent aggregate utility costs, net of resident reimbursements. The increase for the three and nine months ended September 30, 2015 over the prior year periods is primarily due to an increase in water, sewer and trash expense net of resident reimbursements, partially offset by a decrease in gas expense. The increase for the three months ended September 30, 2015 is also partially due to an increase in electrical expense over the prior year period.

(7) Insurance costs consist of premiums, expected claims activity and associated reductions from receipt of claims recoveries. The increase for the three and nine months ended September 30, 2015 over the prior year periods is primarily due to increased property premiums as well as the timing of claims and related recoveries. Insurance costs can exhibit volatility due to the amounts and timing of estimated and actual claim activity and the related recoveries received.

(8) Marketing costs represent amounts incurred for electronic and print advertising, as well as prospect management and incentive costs. The increase for the three and nine months ended September 30, 2015 over the prior year periods is primarily due to increased customer service incentives related to capital projects at current operating communities. The increase for the three months ended September 30, 2015 is also due to an increase in internet advertising. The increase for the nine months ended September 30, 2015 is also due to customer service incentives granted as a result of the severe winter storms in the Company's Northeast markets during the first quarter of 2015.

(9) Operating expenses for Established Communities excludes indirect costs for off-site corporate-level property management related expenses and other support-related expenses.

Attachment 8

AvalonBay Communities, Inc.
Development Communities as of September 30, 2015

	Community Information: Development Name	Location	Number of Apt Homes	Total Capital Cost (millions) (1)	Schedule: Start	Initial Occupancy	Complete	Full Qtr Stabilized Ops (1)	Avg Rent Per Home (1)	% Complete (As of October 16, 2015)	% Leased (As of October 16, 2015)	% Occupied (As of October 16, 2015)	% Economic Occ. Q3 '15 (1)
Under Construction:													
1.	Avalon Baker Ranch	Lake Forest, CA	430	$ 130.6	Q4 2013	Q4 2014	Q4 2015	Q2 2016	$2,225	100.0%	88.6%	82.8%	66.4%
2.	Avalon Falls Church	Falls Church, VA	384	109.8	Q1 2014	Q1 2015	Q1 2016	Q3 2016	2,215	82.8%	63.8%	57.3%	39.3%
3.	Avalon Marlborough	Marlborough, MA	350	76.6	Q1 2014	Q1 2015	Q4 2015	Q2 2016	2,060	86.6%	77.4%	69.4%	52.1%
4.	AVA Theater District	Boston, MA	398	182.4	Q1 2013	Q2 2015	Q4 2015	Q3 2016	3,845	83.4%	55.0%	47.7%	22.4%
5.	Avalon Bloomfield Station	Bloomfield, NJ	224	52.8	Q4 2013	Q2 2015	Q4 2015	Q2 2016	2,400	86.6%	71.9%	67.9%	40.7%
6.	Avalon Glendora	Glendora, CA	280	82.5	Q4 2013	Q2 2015	Q1 2016	Q3 2016	2,125	48.6%	38.2%	32.9%	13.1%
7.	Avalon Framingham	Framingham, MA	180	43.9	Q3 2014	Q3 2015	Q1 2016	Q3 2016	2,255	53.3%	52.8%	37.8%	15.0%
8.	Avalon Green III	Elmsford, NY	68	22.1	Q4 2014	Q3 2015	Q1 2016	Q3 2016	2,790	11.8%	17.6%	11.8%	8.1%
9.	Avalon Willoughby Square/AVA DoBro	Brooklyn, NY	826	444.9	Q3 2013	Q4 2015	Q4 2016	Q2 2017	3,470	6.7%	7.6%	4.7%	0.7%
10.	AVA Capitol Hill (2)	Seattle, WA	249	81.4	Q1 2014	Q4 2015	Q2 2016	Q4 2016	2,170	20.1%	8.4%	4.8%	0.4%
11.	Avalon Irvine III	Irvine, CA	156	55.0	Q2 2014	Q4 2015	Q2 2016	Q4 2016	2,270	—	6.4%	—	—
12.	Avalon Dublin Station II	Dublin, CA	252	83.7	Q2 2014	Q4 2015	Q2 2016	Q4 2016	2,390	—	2.0%	—	—
13.	Avalon Union	Union, NJ	202	50.7	Q4 2014	Q4 2015	Q3 2016	Q1 2017	2,345	—	7.4%	—	—
14.	Avalon Huntington Beach (2)	Huntington Beach, CA	378	120.3	Q2 2014	Q2 2016	Q2 2017	Q4 2017	2,115	—	—	—	—
15.	Avalon West Hollywood (2)	West Hollywood, CA	294	162.4	Q2 2014	Q3 2016	Q2 2017	Q4 2017	3,495	—	—	—	—
16.	Avalon Esterra Park (2)	Redmond, WA	482	137.8	Q3 2014	Q2 2016	Q2 2017	Q4 2017	2,030	—	—	—	—
17.	Avalon North Station	Boston, MA	503	256.9	Q3 2014	Q4 2016	Q4 2017	Q2 2018	3,575	—	—	—	—
18.	Avalon Princeton	Princeton, NJ	280	95.5	Q4 2014	Q3 2016	Q2 2017	Q4 2017	2,890	—	—	—	—
19.	Avalon Alderwood II	Lynnwood, WA	124	26.1	Q1 2015	Q2 2016	Q3 2016	Q4 2016	1,670	—	—	—	—
20.	Avalon Hunt Valley	Hunt Valley, MD	332	74.0	Q1 2015	Q2 2016	Q1 2017	Q3 2017	1,795	—	—	—	—
21.	Avalon Laurel	Laurel, MD	344	72.4	Q2 2015	Q2 2016	Q1 2017	Q3 2017	1,850	—	—	—	—
22.	Avalon Quincy	Quincy, MA	395	95.3	Q2 2015	Q3 2016	Q2 2017	Q4 2017	2,165	—	—	—	—
23.	Avalon Great Neck	Great Neck, NY	191	78.9	Q2 2015	Q1 2017	Q2 2017	Q4 2017	3,570	—	—	—	—
24.	AVA NoMa	Washington, D.C.	438	148.3	Q2 2015	Q2 2017	Q1 2018	Q3 2018	2,535	—	—	—	—
25.	Avalon Newcastle I (2)	Newcastle, WA	378	110.1	Q3 2015	Q4 2016	Q4 2017	Q2 2018	2,245	—	—	—	—
26.	Avalon Chino Hills	Chino Hills, CA	331	96.9	Q3 2015	Q1 2017	Q4 2017	Q2 2018	2,080	—	—	—	—
27.	Avalon Sheepshead Bay (3)	Brooklyn, NY	180	86.4	Q3 2015	Q3 2017	Q4 2017	Q2 2018	3,255	—	—	—	—
	Subtotal / Weighted Average		8,649	$ 2,977.7					$2,570				
Completed this Quarter:													
1.	Avalon Vista	Vista, CA	221	$ 56.7	Q4 2013	Q1 2015	Q3 2015	Q1 2016	$1,985	100.0%	82.8%	81.4%	57.3%
2.	Avalon Roseland	Roseland, NJ	136	46.3	Q1 2014	Q1 2015	Q3 2015	Q4 2015	3,155	100.0%	98.5%	94.9%	82.1%
	Subtotal / Weighted Average		357	$ 103.0					$2,430				
	Total / Weighted Average		9,006	$ 3,080.7					$2,565				

Asset Cost Basis (millions) (4):

Total Capital Cost, under construction and completed	$ 3,305.1	Weighted Average Projected NOI as a % of Total Capital Cost (1)	6.3%
Total Capital Cost, disbursed to date	(2,149.5)		
Total Capital Cost, remaining to invest	$ 1,155.6		

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

(2) Developments containing at least 10,000 square feet of retail space include AVA Capitol Hill (15,000 sf), Avalon Huntington Beach (10,000 sf), Avalon West Hollywood (32,000 sf), Avalon Esterra Park (17,000 sf) and Avalon Newcastle Phase I (15,000 sf).

(3) 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 on 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

(4) Includes the communities presented on this attachment plus two additional communities with 627 apartment homes representing $224.4 million in Total Capital Costs which have completed construction but not yet achieved Stabilized Operations for the full quarter. Q3 2015 NOI for these 31 communities was $6.7 million, of which $0.8 million relates to communities classified as Other Stabilized on Attachment #3.

This chart contains forward-looking statements. Please see the paragraph regarding forward-looking statements on the Table of Contents page relating to the Company's Supplemental Operating and Financial Data for the third quarter of 2015.

Attachment 9

AvalonBay Communities, Inc.
Future Development as of September 30, 2015

DEVELOPMENT RIGHTS (1)

	# of Rights	Estimated Number of Homes	Total Capital Cost (1) (2) (millions)
Development Rights as of 12/31/2014	**37**	**10,384**	**$3,187**
Q1 & Q2 2015			
Q1 & Q2 Additions	7	2,609	$1,120
Q1 & Q2 Construction starts	(6)	(1,825)	(491)
Q1 & Q2 Adjustments to existing Development Rights	(4)	(1,088)	(148)
Development Rights as of 6/30/2015	**34**	**10,080**	**$3,668**
Q3 2015			
Q3 2015 Additions	3	814	$275
Q3 2015 Construction starts	(3)	(889)	(293)
Q3 2015 Adjustments to existing Development Rights	(1)	(253)	(96)
Development Rights as of 9/30/2015	**33**	**9,752**	**$3,554**

Current Development Rights by Region as of September 30, 2015

	# of Rights	Estimated Number of Homes	Total Capital Cost (1) (2) (millions)
New England	7	1,670	$512
Metro NY/NJ	14	4,024	1,558
Mid-Atlantic	5	1,520	388
Pacific Northwest	3	902	287
Northern California	3	941	468
Southern California	1	695	341
Total	**33**	**9,752**	**$3,554**

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

(2) As of September 30, 2015, the Company owns land (including pursuit costs) in the amount of $554 million for the future development of 12 of the 33 Development Rights. Construction is expected to commence during the next 12 months on 7 of the 12 Development Rights for which land is owned with a total basis of $495 million.

This chart contains forward-looking statements. Please see the paragraph regarding forward-looking statements on the Table of Contents page relating to the Company's Supplemental Operating and Financial Data for the third quarter of 2015.

Attachment 10

AvalonBay Communities, Inc.
Unconsolidated Real Estate Investments
September 30, 2015
(Dollars in thousands)
(unaudited)

Unconsolidated Real Estate Investments (1)	# of Communities	Company Ownership Percentage (2)		# of Apartment Homes	NOI (3) Q3 2015	NOI (3) YTD 2015	Debt Principal Amount (3)		Debt Interest Rate (4)
AvalonBay Value Added Fund II, L.P. ("Fund II")	6	31.3%		2,880	$ 10,527	$ 33,757	$ 287,426		4.05%
Multifamily Partners AC LP	9	28.6%		1,730	9,174	27,489	324,033		3.91%
Multifamily Partners AC JV LP	3	20.0%		921	4,556	13,590	162,300	(5)	6.00%
MVP I, LLC	1	25.0%	(6)	313	2,772	8,341	103,000		3.24%
Brandywine Apartments of Maryland, LLC	1	28.7%		305	1,179	3,742	23,964		3.40%
Total Unconsolidated Real Estate Investments	20			6,149	$ 28,208	$ 86,919	$ 900,723		4.24%

(1) Total unconsolidated real estate investments excludes the real estate investments owned through the joint ventures entered into with Equity Residential as part of the Archstone acquisition.

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

(3) NOI and outstanding indebtedness are presented at 100% ownership. NOI includes $1,908 and $7,826 for the three and nine months ended September 30, 2015, respectively, from Fund II communities disposed of during the period and excludes property management fees as the Company serves as the property management company for all ventures except Brandywine Apartments of Maryland, LLC.

(4) Represents the weighted average interest rate as of September 30, 2015.

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

(6) During the three months ended March 31, 2015, the Company received $20,680 from the joint venture partner associated with MVP I, LLC upon agreement to modify the joint venture agreement to eliminate the Company's promoted interest for future return calculations and associated distributions. Beginning in March 2015, the Company's share of operating results is based on its 25.0% ownership interest. Prior to this modification of the joint venture agreement, after the venture made certain threshold distributions to the third-party partner, the Company generally received 45.0% of all further distributions. In January and February 2015, the Company received aggregate distributions of $660 in excess of its ownership percentage for its promoted interest in MVP I, LLC.

Attachment 11

AvalonBay Communities, Inc.
Debt Structure and Select Debt Metrics
September 30, 2015
(Dollars in thousands)
(unaudited)

DEBT COMPOSITION AND MATURITIES

Debt Composition (1)	Amount (2)	Average Interest Rate (3)
Conventional Debt		
Long-term, fixed rate	$ 4,826,391	
Long-term, variable rate	400,191	
Variable rate facility (4)	—	
Subtotal, Conventional	5,226,582	4.2%
Tax-Exempt Debt		
Long-term, fixed rate	117,105	
Long-term, variable rate	945,295	
Subtotal, Tax-Exempt	1,062,400	2.1%
Total Debt	$ 6,288,982	3.9%

Maturities (1) (2)	
2015	$ 108,039
2016	$ 282,420
2017	$ 977,157
2018	$ 93,037
2019	$ 593,527

SELECT DEBT METRICS (5)

Net Debt-to-Core EBITDA	4.9x
Interest Coverage	6.9x
Unencumbered NOI	77%

DEBT COVENANT COMPLIANCE (5)

Unsecured Line of Credit Covenants	September 30, 2015	Requirement
Total Outstanding Indebtedness to Capitalization Value (6)	28.0%	≤ 60%
Combined EBITDA to Combined Debt Service	5.15x	≥ 1.50x
Unsecured Indebtedness to Unencumbered Asset Value	17.3%	≤ 65%
Secured Indebtedness to Capitalization Value (6)	12.5%	≤ 40%

Unsecured Senior Notes Covenants	September 30, 2015	Requirement
Total Outstanding Indebtedness to Total Assets (7)	35.0%	≤ 60%
Secured Indebtedness to Total Assets (7)	13.7%	≤ 40%
Unencumbered Assets to Unsecured Indebtedness	439.2%	≥ 150%
Consolidated Income Available for Debt Service to the Annual Service Charge	6.83x	≥ 1.50x

(1) The Company has the option to extend the maturity date of $692,191 principal amount of indebtedness currently scheduled to mature in 2017. The extension option provides the Company the ability, for a fee, to elect a revised maturity of one or two years beyond the current maturity.

(2) Balances outstanding and amounts due at maturity exclude any associated issuance discount and mark-to-market premiums.

(3) Rates are as of September 30, 2015 and include costs of financing such as credit enhancement fees, trustees' fees, the impact of interest rate hedges and mark-to-market adjustments.

(4) Represents the Company's $1.3 billion unsecured credit facility, under which no amounts were outstanding at September 30, 2015.

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

(6) Capitalization Value represents the Company's Combined EBITDA for operating communities that the Company has owned for the nine months ended September 30, 2015, capitalized at a rate of 6% per annum, plus the book value of Development Communities and real estate acquired during the nine months ended September 30, 2015. For discussion of other defined terms, see "Debt Covenant Compliance" in Attachment #13 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

(7) 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 #13 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

Attachment 12

AvalonBay Communities, Inc.
Summary of Disposition Activity (1)
September 30, 2015
(Dollars in thousands)
(unaudited)

Number of Communities Sold	Weighted Average Investment Period (Years) (3)	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)
2006- 2010:							
25 Communities (3) (4)	**11.3**	**$ 1,322,475**	**$ 625,236**	**$ 152,502**	**$ 472,734**	**5.3%**	**14.1%**
2011:							
2 Communities (5)	**13.4**	**$ 184,740**	**$ 137,173**	**$ 24,794**	**$ 112,379**	**5.1%**	**16.0%**
2012:							
4 Communities (6)	**13.9**	**$ 268,250**	**$ 146,311**	**$ 50,815**	**$ 95,496**	**5.3%**	**10.6%**
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:							
2 Communities	**12.4**	**$ 214,500**	**$ 106,152**	**$ 39,508**	**$ 66,644**	**5.1%**	**10.7%**
2006 - 2015 Total							
45 Communities	**13.6**	**$ 3,218,965**	**$ 1,399,241**	**$ 400,776**	**$ 998,465**	**5.1%**	**13.4%**

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

(2) See Attachment #13 - 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.

Attachment 13

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

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

Average Rent per Home, as calculated for certain Development and Redevelopment 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.

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

Core FFO is the Company's FFO as adjusted for the items outlined in the following table (dollars in thousands, except per share data):

	Q3 2015	Q3 2014	YTD 2015	YTD 2014
FFO, actual	$ 271,879	$ 282,221	$ 812,930	$ 717,553
Adjusting Items				
Joint venture costs and (gains) (1)	1,611	2,721	(8,671)	(3,335)
Casualty and impairment loss (gain), net (2)	658	—	(14,863)	—
Lost NOI from Edgewater fire	1,738	—	5,072	—
Early extinguishment of consolidated borrowings	(18,987)	—	(26,736)	412
Gain on sale of real estate	—	—	(9,647)	—
Joint venture promote	—	(57,489)	(21,969)	(57,489)
Income taxes	—	—	997	—
Abandoned pursuits (3)	609	—	1,072	2,564
Acquisition costs	2,514	3	3,454	34
Severance related costs	120	360	1,784	660
Business interruption insurance proceeds	(357)	—	(511)	(587)
Core FFO	$ 259,785	$ 227,816	$ 742,912	$ 659,812
Core FFO per share	$ 1.93	$ 1.73	$ 5.56	$ 5.05
Average shares outstanding - diluted	134,709,460	131,905,995	133,663,770	130,728,000

(1) Amount for Q3 2015 is composed primarily of the Company's portion of yield maintenance charges incurred for the early repayment of debt associated with disposition activity. Amounts for 2014 and YTD 2015 are composed primarily of the Company's proportionate share of gains and operating results for joint ventures formed with Equity Residential as part of the Archstone acquisition.

(2) YTD 2015 amount is composed primarily of insurance proceeds, partially offset by costs from the fire at Edgewater.

(3) Composed of expensed development rights and retail tenant improvements.

Attachment 13

Debt Covenant Compliance ratios for the Unsecured Line of Credit Covenants show the Company's compliance with selected covenants provided in the Company's Third Amended and Restated Revolving Loan Agreement dated as of September 29, 2011, as amended by Amendment No. 1 dated as of December 20, 2012, and the Company's Term Loan Agreement dated March 31, 2014, which have been filed as exhibits to the Company's periodic reports with the SEC. 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 periodic reports with the SEC.

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 Loan, 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 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.

Debt-to-Total Market Capitalization is a measure of leverage that is calculated by expressing, as a percentage, debt divided by Total Market Capitalization, which is defined as the aggregate of the market value of the Company's common stock, the market value of the Company's operating partnership units outstanding (based on the market value of the Company's common stock) and the outstanding principal balance of debt. Management believes that this measure of leverage can be one useful measure of a real estate operating company's long-term liquidity and balance sheet strength, because it shows an approximate relationship between a company's total debt and the current total market value of its assets based on the current price at which the Company's common stock trades. Because this measure of leverage changes with fluctuations in the Company's stock price, which occur regularly, this measure may change even when the Company's earnings, interest and debt levels remain stable. Investors should also note that the net realizable value of the Company's assets in liquidation is not easily determinable and may differ substantially from the Company's Total Market Capitalization.

Development Communities are communities that are under construction 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 future development is probable.

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 estimated based on their respective final settlement statements. A reconciliation of Economic Gain (Loss) to gain on sale in accordance with GAAP for the quarter ended September 30, 2015 as well as prior years' activities is presented elsewhere on Attachment 12.

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 identified by the Company as communities where a comparison of operating results from the prior year to the current year is meaningful, as these communities were owned and had Stabilized Operations, as defined below, as of the beginning of the respective prior year period. Therefore, for 2015 operating results, Established Communities are consolidated communities that have Stabilized Operations as of January 1, 2014 and are not conducting or planning to conduct substantial redevelopment activities within the current year. Established Communities do not include communities that are currently held for sale or planned for disposition during the current year.

Attachment 13

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. Management generally considers FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses related to dispositions of previously depreciated operating communities and excluding real estate depreciation (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help one compare the operating performance of a company's real estate between periods or as compared to different companies. A reconciliation of FFO to Net income attributable to common stockholders is as follows (dollars in thousands):

	Q3 2015	Q3 2014	YTD 2015	YTD 2014
Net income attributable to common stockholders	$ 206,142	$ 241,100	$ 586,610	$ 540,929
Depreciation - real estate assets, including discontinued operations and joint venture adjustments	121,018	113,558	359,195	334,177
Distributions to noncontrolling interests, including discontinued operations	9	9	28	26
Gain on sale of unconsolidated entities holding previously depreciated real estate assets	(20,074)	(72,446)	(30,947)	(72,897)
Gain on sale of previously depreciated real estate assets (1)	(35,216)	—	(106,151)	(84,682)
Impairment due to casualty loss	—	—	4,195	—
FFO attributable to common stockholders	$ 271,879	$ 282,221	$ 812,930	$ 717,553
Average shares outstanding - diluted	134,709,460	131,905,995	133,663,770	130,728,000
Earnings per share - diluted	$ 1.53	$ 1.83	$ 4.39	$ 4.14
FFO per common share - diluted	$ 2.02	$ 2.14	$ 6.08	$ 5.49

(1) YTD 2014 includes the impact of the noncontrolling portion of the gain on sale of community owned by Fund I that was consolidated for financial reporting purposes.

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.

Attachment 13

A reconciliation of Core EBITDA and a calculation of Interest Coverage for the third quarter of 2015 are as follows (dollars in thousands):

Net income attributable to common stockholders	$	206,142
Interest expense, net		43,234
Income tax expense		39
Depreciation expense		120,184
EBITDA	$	369,599
NOI from discontinued operations and real estate assets sold or held for sale, not classified as discontinued operations		(843)
Gain on sale of communities		(35,216)
EBITDA after disposition activity	$	333,540
Joint venture income		(20,554)
Casualty and impairment loss (gain), net		658
Lost NOI from Edgewater fire		1,738
Gain on extinguishment of debt, net		(18,987)
Other non-core adjustments (1)		2,886
Core EBITDA	$	299,281
Interest expense, net	$	43,234
Interest Coverage		6.9 times

(1) Refer to the Core FFO definition included in this release.

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.

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 third quarter 2015 Core EBITDA, as adjusted.

Total debt principal (1)	$	6,288,982
Cash and cash in escrow		(420,445)
Net debt	$	5,868,537
Core EBITDA	$	299,281
Core EBITDA, annualized	$	1,197,124
Net Debt-to-Core EBITDA		4.9 times

(1) Balance at September 30, 2015 excludes $6,902 of debt discount as reflected in unsecured notes, net, and $24,647 of debt premium as reflected in notes payable, on the Condensed Consolidated Balance Sheets. The debt premium is primarily related to above market interest rates on debt assumed in connection with the Archstone acquisition.

Attachment 13

NOI is defined by the Company as total property revenue less direct property operating expenses (including property taxes), and excludes corporate-level income (including management, development and other fees), corporate-level property management and other indirect operating expenses, investments and investment management expenses, expensed development and other pursuit costs, net interest expense, gain (loss) on extinguishment of debt, general and administrative expense, joint venture income (loss), depreciation expense, impairment loss on land holdings, gain on sale of real estate assets, gain on sale of discontinued operations, income from discontinued operations and NOI from real estate assets held for sale or that have been sold. The Company considers NOI to be an appropriate supplemental measure to Net Income of operating performance of a community or communities because it helps both investors and management to understand the core operations of a community or communities prior to the allocation of corporate-level property management overhead or general and administrative costs. This is more reflective of the operating performance of a community, and allows for an easier comparison of the operating performance of single assets or groups of assets. In addition, because prospective buyers of real estate have different overhead structures, with varying marginal impact to overhead by acquiring real estate, NOI is considered by many in the real estate industry to be a useful measure for determining the value of a real estate asset or groups of assets.

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

	Q3 2015	Q3 2014	Q2 2015	Q1 2015	Q4 2014	YTD 2015	YTD 2014
Net income	$ 206,076	$ 241,001	$ 172,253	$ 208,053	$ 142,530	$ 586,381	$ 554,801
Indirect operating expenses, net of corporate income	13,427	13,173	14,817	15,399	12,721	43,642	36,333
Investments and investment management expense	1,167	1,079	1,073	1,034	1,290	3,274	3,195
Expensed acquisition, development and other pursuit costs, net of recoveries	3,391	406	673	1,187	(6,855)	5,251	3,139
Interest expense, net	43,234	46,376	44,590	45,573	47,987	133,398	132,631
(Gain) loss on extinguishment of debt, net	(18,987)	—	(7,749)	—	—	(26,736)	412
General and administrative expense	10,464	11,233	10,335	10,468	10,715	31,266	30,618
Joint venture income	(20,554)	(130,592)	(13,806)	(34,566)	(5,241)	(68,925)	(143,527)
Depreciation expense	120,184	111,836	118,627	116,853	114,084	355,664	328,598
Income tax expense	39	57	1,293	15	9,332	1,348	127
Casualty and impairment loss (gain), net	658	—	(17,114)	5,788	—	(10,668)	—
Gain on sale of real estate assets	(35,216)	—	(9,625)	(70,958)	(24,470)	(115,798)	(60,945)
Gain on sale of discontinued operations	—	—	—	—	—	—	(37,869)
Income from discontinued operations	—	—	—	—	—	—	(310)
NOI from real estate assets sold or held for sale, not classified as discontinued operations	(843)	(4,144)	(1,353)	(1,437)	(3,540)	(3,634)	(16,666)
NOI	$ 323,040	$ 290,425	$ 314,014	$ 297,409	$ 298,553	$ 934,463	$ 830,537
Established:							
New England	$ 32,202	$ 31,230	$ 30,985	$ 27,839	$ 30,499	$ 91,026	$ 90,441
Metro NY/NJ	68,973	66,515	67,880	65,109	67,486	201,962	195,787
Mid-Atlantic	36,157	36,036	35,938	36,031	36,652	108,125	108,587
Pacific NW	13,502	12,844	13,657	13,373	12,853	40,532	37,768
No. California	53,095	48,503	52,635	49,734	47,645	155,464	140,256
So. California	43,714	40,521	43,046	43,517	41,843	130,278	119,362
Total Established	247,643	235,649	244,141	235,603	236,978	727,387	692,201
Other Stabilized	36,930	33,238	36,536	34,818	36,734	108,283	80,307
Development/Redevelopment	38,467	21,538	33,337	26,988	24,841	98,793	58,029
NOI	$ 323,040	$ 290,425	$ 314,014	$ 297,409	$ 298,553	$ 934,463	$ 830,537

Attachment 13

NOI as reported by the Company does not include the operating results from discontinued operations (i.e., assets sold or classified as held for sale at December 31, 2013) or assets sold or classified as held for sale (i.e., assets sold or classified as held for sale at September 30, 2015 that are not otherwise classified as discontinued operations). A reconciliation of NOI from communities sold, classified as discontinued operations or classified as held for sale, to Net Income for these communities is as follows (dollars in thousands):

	Q3 2015	Q3 2014	YTD 2015	YTD 2014
Income from discontinued operations	$ —	$ —	$ —	$ 310
Depreciation expense	—	—	—	—
NOI from discontinued operations	$ —	$ —	$ —	$ 310
Revenue from real estate assets sold or held for sale, not classified as discontinued operations	$ 1,353	$ 6,904	$ 6,162	$ 27,499
Operating expenses from real estate assets sold or held for sale, not classified as discontinued operations	(510)	(2,760)	(2,528)	(10,833)
NOI from real estate assets sold or held for sale, not classified as discontinued operations	$ 843	$ 4,144	$ 3,634	$ 16,666

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

Other Stabilized Communities as of January 1, 2015 are completed consolidated communities that the Company owns, which did not have stabilized operations as of January 1, 2014, but have stabilized occupancy as of January 1, 2015. Other Stabilized Communities as of January 1, 2015 do not include communities that are planning to conduct substantial redevelopment activities or that are under contract to be sold.

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 fourth quarter and full year of 2015 to the ranges provided for projected EPS (diluted) and corresponding reconciliation of the ranges for Projected FFO per share to the ranges for Core FFO per share are as follows:

Attachment 13

	Low Range		High Range
Projected EPS (diluted) - Q4 2015	$	1.20	$ 1.26
Projected depreciation (real estate related)		0.88	0.92
Projected gain on sale of operating communities		(0.17)	(0.21)
Projected FFO per share (diluted) - Q4 2015		1.91	1.97
Early extinguishment of debt		0.01	0.01
Community operating and casualty losses		0.02	0.02
Acquisition costs and other non-core items		0.01	0.01
Projected Core FFO per share (diluted) - Q4 2015	$	1.95	$ 2.01
Projected EPS (diluted) - Full Year 2015	$	5.58	$ 5.64
Projected depreciation (real estate related)		3.58	3.62
Projected gain on sale of operating communities		(1.20)	(1.24)
Impairment due to casualty loss		0.03	0.03
Projected FFO per share (diluted) - Full Year 2015		7.99	8.05
Non recurring joint venture income and management fees		(0.22)	(0.22)
Community operating and casualty losses		(0.05)	(0.05)
Income taxes		0.01	0.01
Gain on sale of real estate		(0.07)	(0.07)
Early extinguishment of debt		(0.17)	(0.17)
Acquisition costs and other non-core items		0.02	0.02
Projected Core FFO per share (diluted) - Full Year 2015	$	7.51	$ 7.57

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.

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 or redevelopment 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.

Attachment 13

Redevelopment Communities are communities where the Company owns a majority interest and where substantial redevelopment is in progress or is planned to begin during the current year. Redevelopment is generally considered substantial when capital invested during the reconstruction effort is expected to exceed either $5,000,000 or 10% of the community's pre-redevelopment basis and is expected to have a material impact on the community's operations, 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):

	Q3 2015	Q3 2014	YTD 2015	YTD 2014
Rental revenue (GAAP basis)	$ 355,451	$ 337,085	$ 1,041,707	$ 993,500
Concessions amortized	195	928	844	3,950
Concessions granted	(132)	(377)	(475)	(2,821)
Rental Revenue with Concessions on a Cash Basis	$ 355,514	$ 337,636	$ 1,042,076	$ 994,629
% change -- GAAP revenue		5.4%		4.9%
% change -- cash revenue		5.3%		4.8%

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

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.

Unencumbered NOI as calculated by the Company represents NOI generated by real estate assets unencumbered by either outstanding secured debt or land leases (excluding land leases with purchase options that were put in place for governmental incentives or tax abatements) 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 nine months ended September 30, 2015 is as follows (dollars in thousands):

Attachment 13

		Year To Date NOI
NOI for Established Communities	$	727,387
NOI for Other Stabilized Communities		108,283
NOI for Development/Redevelopment Communities		98,793
NOI for discontinued operations		—
NOI from real estate assets sold or held for sale, not classified as discontinued operations		3,634
Total NOI generated by real estate assets		938,097
NOI on encumbered assets		216,020
NOI on unencumbered assets	$	722,077
Unencumbered NOI		77%

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.