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): April 27, 2016

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 April 27, 2016, AvalonBay Communities, Inc. issued a press release announcing its first quarter 2016 operating results. 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.

Presented below are certain non-GAAP financial measures included in the press release together with the most directly comparable GAAP financial measure. Reconciliations to the most directly comparable GAAP financial measure and other required disclosures appear in the press release and related attachments.

For the three months ended March 31, 2016, Net Income Attributable to Common Stockholders was $237,931,000. This resulted in an increase in Earnings per Share – diluted (“EPS”) of 10.9% to $1.73 for the three months ended March 31, 2016, from $1.56 for the prior year period. Funds from Operations attributable to common stockholders - diluted (“FFO”) per share for the three months ended March 31, 2016 increased 10.1% to $2.07 from $1.88 for the prior year period. FFO per share adjusted for items as detailed in the press release ("Core FFO" per share) for the three months ended March 31, 2016 increased 12.6% to $1.97 from $1.75 for the prior year period.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

99.1	Press Release of AvalonBay Communities, Inc. dated April 27, 2016, including attachments.
99.2	Supplemental discussion of first quarter 2016 operating results dated April 27, 2016, 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: April 27, 2016	By:	/s/ Kevin P. O'Shea
		Kevin P. O'Shea
		Chief Financial Officer

Exhibit Index

99.1 Press Release of AvalonBay Communities, Inc. dated April 27, 2016, including attachments.

99.2 Supplemental discussion of first quarter 2016 operating results dated April 27, 2016, including attachments.

PRESS RELEASE

For Immediate News Release

April 27, 2016

AVALONBAY COMMUNITIES, INC. ANNOUNCES FIRST QUARTER 2016 OPERATING RESULTS

(Arlington, VA) AvalonBay Communities, Inc. (NYSE: AVB) (the "Company") reported today that Funds from Operations attributable to common stockholders - diluted ("FFO") per share for the three months ended March 31, 2016 increased 10.1% to $2.07 from $1.88 for the prior year period.

Core FFO per share (as defined in this release) for the three months ended March 31, 2016 increased 12.6% to $1.97 from $1.75 for the prior year period.

Net Income Attributable to Common Stockholders for the three months ended March 31, 2016 was $237,931,000. This resulted in an increase in Earnings per Share – diluted ("EPS") of 10.9% to $1.73 for the three months ended March 31, 2016, from $1.56 for the prior year period.

The increases in FFO per share, Core FFO per share and EPS were primarily driven by an increase in Net Operating Income ("NOI") from newly developed and existing operating communities. The increases in FFO per share and EPS were also partially due to business interruption insurance proceeds from the Edgewater casualty loss discussed later in this release.

The following table compares the Company's actual results for FFO per share and Core FFO per share for the first quarter of 2016 to its February 2016 outlook:

First Quarter 2016 Results
Comparison to February 2016 Outlook

	Per Share	
	FFO	Core FFO
Projected per share - February 2016 outlook (1)	$ 2.07	$ 1.91
Established and Redevelopment Community NOI	0.04	0.04
Other community NOI	0.02	0.02
Casualty and impairment loss	(0.05)	—
Overhead and other	(0.01)	—
Q1 2016 per share reported results	$ 2.07	$ 1.97

(1) The mid-point of the Company's February 2016 outlook.

Commenting on the Company's results, Tim Naughton, Chairman and CEO, said, "Core FFO per share increased 12.6% in the first quarter, driven by same store NOI growth of 7.9% and NOI growth from our lease-up communities. We expect apartment fundamentals to remain favorable in 2016 and support continued healthy growth in Core FFO per share throughout the balance of the year."

Operating Results for the Three Months Ended March 31, 2016 Compared to the Prior Year Period

For the Company, total revenue increased by $66,131,000, or 14.9%, to $508,498,000. This increase is primarily due to growth in revenue from development communities and, as noted below, Established Communities, coupled with business interruption insurance proceeds.

For Established Communities, Average Rental Rates increased 5.9%, and were partially offset by a decrease in Economic Occupancy of 0.4%, resulting in an increase in rental revenue of 5.5%. 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 5.6%. Total revenue for Established Communities increased $19,387,000 to $375,025,000. Operating expenses for Established Communities increased $84,000, or 0.1%, to $110,894,000. NOI for Established Communities increased $19,303,000, or 7.9%, to $264,131,000.

The following table reflects the percentage changes in rental revenue, operating expenses and NOI for Established Communities for the first quarter of 2016 compared to the first quarter of 2015:

Q1 2016 Compared to Q1 2015

	Rental Revenue				
	Avg Rent Rates	Ec Occ	Opex (1)	NOI	% of NOI (2)
New England	5.3%	(0.4)%	(10.2)%	15.9%	14.3%
Metro NY/NJ	3.6%	(0.4)%	3.2 %	3.2%	23.9%
Mid-Atlantic	1.7%	(0.5)%	0.9 %	1.3%	15.1%
Pacific NW	6.9%	(0.4)%	5.5 %	6.7%	5.1%
No. California	10.4%	(0.8)%	3.6 %	11.5%	21.5%
So. California	7.6%	— %	2.6 %	9.8%	20.1%
Total	5.9%	(0.4)%	0.1 %	7.9%	100.0%

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

(2) Represents each region's % of total NOI for Q1 2016, including amounts related to communities that have been sold or that are classified as held for sale.

Development Activity

During the three months ended March 31, 2016, the Company engaged in the following development activity:

The Company completed the development of three communities:

- Avalon Falls Church, located in Falls Church, VA;
- Avalon Glendora, located in Glendora, CA; and
- Avalon Green III, located in Elmsford, NY.

These three communities contain an aggregate of 732 apartment homes and were constructed for an aggregate Total Capital Cost of $212,100,000.

The Company started the construction of Avalon Easton, located in Easton, MA, which will contain 290 apartment homes when completed and will be developed for an estimated Total Capital Cost of $64,000,000.

The Company added one development right which, if developed as expected, will contain approximately 1,100 apartment homes and will be developed for an estimated Total Capital Cost of $550,000,000. This development right is located on East 96th Street in Manhattan and is part of a public/private partnership with the City of New York’s Educational Construction Fund. The project is expected to include the construction of two new public school buildings, public playground improvements, and up to 20,000 square feet of retail in addition to the multifamily rental component, and is expected to have a lengthy public approval process.

The projected Total Capital Cost of overall development rights increased to $3.7 billion at March 31, 2016 from $3.4 billion at December 31, 2015.

During 2016 through the date of this release, the Company acquired three parcels of land for development for an aggregate investment of $31,525,000. The Company has started or anticipates starting construction of apartment communities on this land during the next six months.

Acquisition Activity

In January 2016, the Company acquired Avalon Hoboken located in Hoboken, NJ. Avalon Hoboken contains 217 apartment homes and was acquired for a purchase price of $129,700,000, which includes the assumption of an interest-only mortgage loan secured by the community in the amount of $67,904,000. The mortgage loan has a 4.18% fixed interest rate and matures in December 2020.

In February 2016, the Company acquired Avalon Potomac Yard located in Alexandria, VA. Avalon Potomac Yard contains 323 apartment homes and was acquired for a purchase price of $108,250,000.

Disposition Activity

Consolidated Apartment Communities

During the three months ended March 31, 2016, the Company sold Eaves Trumbull, a wholly-owned community located in Trumbull, CT. Eaves Trumbull contains 340 apartment homes and was sold for $70,250,000, resulting in a gain in accordance with GAAP of $51,430,000 and an Economic Gain of $29,391,000. Eaves Trumbull generated an Unleveraged IRR of 12.3% over an investment period of 18.4 years.

Unconsolidated Real Estate Investments

During the three months ended March 31, 2016, AvalonBay Value Added Fund II, L.P. ("Fund II"), a private discretionary real estate investment vehicle in which the Company holds an equity interest of approximately 31.3%, sold one community containing 676 apartment homes for a sales price of $158,000,000. The Company's share of the gain in accordance with GAAP was $13,057,000. In conjunction with the disposition, Fund II repaid $68,091,000 of related secured indebtedness in advance of the scheduled maturity date. This resulted in charges for a prepayment penalty and write-off of deferred financing costs, of which the Company’s portion was $1,207,000, reported as a reduction of joint venture income.

During the three months ended March 31, 2016, Multifamily Partners AC LP (the "U.S. Fund"), a private discretionary real estate investment vehicle in which the Company holds an equity interest of approximately 28.6%, sold two communities containing an aggregate of 461 apartment homes for an aggregate sales price of $229,300,000. The Company's aggregate share of the gain in accordance with GAAP was $16,568,000. In conjunction with the disposition of these communities, the U.S. Fund repaid an aggregate of $94,822,000 of related secured indebtedness in advance of the scheduled maturity dates. This resulted in charges for prepayment penalties and write-offs of deferred financing costs, of which the Company’s portion was $2,003,000, reported as a reduction of joint venture income.

Liquidity and Capital Markets

In January 2016, the Company entered into an amendment to increase its borrowing capacity under its unsecured credit facility from $1,300,000,000 to $1,500,000,000. In addition, the Company extended the term of the credit facility from April 2017 to April 2020, with one nine-month extension option available. As part of the amendment, the Company’s current margin over LIBOR decreased to 0.825% from 0.95%, and its annual facility fee decreased to 0.125% from 0.15%.

At March 31, 2016, the Company did not have any borrowings outstanding under its $1,500,000,000 unsecured credit facility, and had $267,902,000 in unrestricted cash and cash in escrow.

The Company’s annualized Net Debt-to-Core EBITDA for the first quarter of 2016 was 5.0 times.

During the three months ended March 31, 2016, the Company repaid a $16,212,000 fixed rate secured mortgage note with an effective interest rate of 3.32% at par in advance of its maturity date. Upon repayment, the Company substituted the operating community securing this borrowing as collateral for another secured borrowing.

Edgewater Insurance Settlement

During the three months ended March 31, 2016, the Company reached a final property and casualty insurance settlement for the property damage and lost income for the fire that occurred in 2015 at Avalon at Edgewater ("Edgewater"). In 2015 and 2016, the Company received aggregate insurance recoveries for Edgewater of $73,008,000, after self-insurance and deductibles. During the three months ended March 31, 2016, the Company received the final $29,008,000 of these recoveries, of which $8,702,000 was recognized as casualty and impairment gain, net and $20,306,000 was recognized as business interruption insurance recoveries, included in rental and other income.

Second Quarter 2016 Financial Outlook

For its second quarter 2016 financial outlook, the Company expects the following:

Projected EPS, Projected FFO and Projected Core FFO Outlook

	Q2 2016		
	Low		High
Projected EPS	$1.46	-	$1.52
Projected FFO per share	$2.07	-	$2.13
Projected Core FFO per share (1)	$1.97	-	$2.03

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

Second Quarter Conference Schedule

The Company is scheduled to participate in the NAREIT Institutional Investor Forum in New York, NY, from June 7-9, 2016. During this conference, management may discuss and present information about the Company's current operating environment; operating trends; development, redevelopment, disposition and acquisition activity; portfolio strategy; historical rates of return from development and acquisition activity; and other business and financial matters affecting the Company. Details on how to access related materials will be available beginning June 6, 2016 on the Company's website at http://www.avalonbay.com/events.

Other Matters

The Company will hold a conference call on April 28, 2016 at 1:00 PM ET to review and answer questions about this release, its first quarter 2016 results, the Attachments (described below) and related matters. To participate on the call, dial 800-479-9001 domestically and 719-325-2327 internationally and use conference id: 4746300.

To hear a replay of the call, which will be available from April 28, 2016 at 6:00 PM ET to May 5, 2016 at 6:00 PM ET, dial 888-203-1112 domestically and 719-457-0820 internationally and use conference id: 4746300. 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 April 28, 2016. These supplemental materials will be available on the Company's website for 30 days following the earnings call.

About AvalonBay Communities, Inc.

As of March 31, 2016, the Company owned or held a direct or indirect ownership interest in 282 apartment communities containing 83,049 apartment homes in 10 states and the District of Columbia, of which 24 communities were under construction and 11 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 potential uninsured loss amounts and on-going investigations resulting from the Edgewater casualty loss are subject to change and could materially affect the Company's current expectations regarding the impact of the fire; 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, 2015 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 2016 operating results and other financial data forecasts contained in this release. The Company may, in its discretion, provide information in future public announcements regarding its outlook that may be of interest to the investment community. The format and extent of future outlooks may be different from the format and extent of the information contained in this release.

Definitions and Reconciliations

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

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

	Q1 2016	Q1 2015
FFO, actual	$ 284,587	$ 250,577
Adjusting Items		
Joint venture losses (gains) (1)	4,994	(2,002)
Business interruption insurance proceeds	(20,334)	(87)
Casualty and impairment (gain) loss, net (2)	(2,202)	1,593
Lost NOI from casualty losses	1,870	1,647
Acquisition costs	1,101	878
Severance related costs	585	1,648
Development pursuit and other write-offs	433	98
Joint venture promote (3)	—	(20,680)
Gain on sale of real estate	—	(22)
Core FFO	$ 271,034	$ 233,650
Core FFO per share	$ 1.97	$ 1.75
Average shares outstanding - diluted	137,383,044	133,175,773

(1) Amount for 2016 is primarily composed of the Company's portion of yield maintenance charges incurred for the early repayment of debt associated with joint venture disposition activity, and the write-off of asset management fee intangibles primarily associated with the disposition of communities in the U.S. Fund. Amount for 2015 is primarily composed 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) Amount for 2016 is primarily composed of property damage insurance proceeds for the Edgewater casualty loss, partially offset by an impairment charge for two undeveloped land parcels. Amount for 2015 is primarily composed of costs from the Edgewater casualty loss and an impairment charge on an undeveloped land parcel, partially offset by insurance proceeds.

(3) Amount for 2015 is for a joint venture partner's buyout of the Company's promoted interest in future distributions of MVP I, LLC.

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 March 31, 2016 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 2016 operating results, Established Communities are consolidated communities that have Stabilized Operations as of January 1, 2015 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):

	Q1 2016	Q1 2015
Net income attributable to common stockholders	$ 237,931	$ 208,144
Depreciation - real estate assets, including discontinued operations and joint venture adjustments	127,701	118,320
Distributions to noncontrolling interests, including discontinued operations	10	9
Gain on sale of unconsolidated entities holding previously depreciated real estate assets	(29,625)	(9,155)
Gain on sale of previously depreciated real estate assets	(51,430)	(70,936)
Impairment due to casualty loss	—	4,195
FFO attributable to common stockholders	$ 284,587	$ 250,577
Average shares outstanding - diluted	137,383,044	133,175,773
Earnings per share - diluted	$ 1.73	$ 1.56
FFO per common share - diluted	$ 2.07	$ 1.88

Initial Year Market Cap Rate is defined by the Company as Projected NOI of a single community for the first 12 months of operations (assuming no repositioning), less estimates for non-routine allowance of approximately $300 - $500 per apartment home, divided by the gross sales price for the community. Projected NOI, as referred to above, represents management’s estimate of projected rental revenue minus projected operating expenses before interest, income taxes (if any), depreciation and amortization. For this purpose, management’s projection of operating expenses for the community includes a management fee of 2.5% - 3.5%. The Initial Year Market Cap Rate, which may be determined in a different manner by others, is a measure frequently used in the real estate industry when determining the appropriate purchase price for a property or estimating the value for a property. Buyers may assign different Initial Year Market Cap Rates to different communities when determining the appropriate value because they (i) may project different rates of change in operating expenses and capital expenditure estimates and (ii) may project different rates of change in future rental revenue due to different estimates for changes in rent and occupancy levels. The weighted average Initial Year Market Cap Rate is weighted based on the gross sales price of each community.

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

A reconciliation of Core EBITDA and a calculation of Interest Coverage for the three months ended March 31, 2016 are as follows (dollars in thousands):

Net income attributable to common stockholders	$	237,931
Interest expense, net		43,410
Income tax expense		37
Depreciation expense		127,216
EBITDA	$	408,594
NOI from real estate assets sold or held for sale		(721)
Gain on sale of communities		(51,430)
EBITDA after disposition activity	$	356,443
Joint venture income		(27,969)
Casualty and impairment (gain) loss, net		(2,202)
Lost NOI from casualty losses		1,870
Business interruption insurance proceeds		(20,334)
Other non-core adjustments (1)		3,735
Core EBITDA	$	311,543
Interest expense, net	$	43,410
Interest Coverage		7.2 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 first quarter 2016 Core EBITDA, as adjusted. For a calculation of Core EBITDA, see "Interest Coverage" above.

Total debt principal (1)	$	6,528,834
Cash and cash in escrow		(267,902)
Net debt	$	6,260,932
Core EBITDA	$	311,543
Core EBITDA, annualized	$	1,246,172
Net Debt-to-Core EBITDA		5.0 times

(1) Balance at March 31, 2016 excludes $7,310 of debt discount and $20,836 of deferred financing costs as reflected in unsecured notes, net, and $16,652 of debt premium and $14,760 of deferred financing costs 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 of recoveries, interest expense, net, loss on extinguishment of debt, net, general and administrative expense, joint venture income, depreciation expense, casualty and impairment (gain) loss, net gain on sale of real estate assets, 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):

	Q1 2016	Q1 2015	Q4 2015
Net income	$ 237,877	$ 208,053	$ 155,352
Indirect operating expenses, net of corporate income	16,537	15,399	13,332
Investments and investment management expense	1,145	1,034	1,096
Expensed acquisition, development and other pursuit costs, net of recoveries	3,462	1,187	1,570
Interest expense, net	43,410	45,573	42,217
General and administrative expense	11,404	10,468	11,508
Joint venture income	(27,969)	(34,566)	(1,093)
Depreciation expense	127,216	116,853	122,259
Income tax expense	37	15	135
Casualty and impairment (gain) loss, net	(2,202)	5,788	125
Gain on sale of real estate assets	(51,430)	(70,958)	(9,474)
NOI from real estate assets sold or held for sale (1)	(721)	(3,219)	(1,896)
NOI	$ 358,766	$ 295,627	$ 335,131
Established:			
New England	$ 37,270	$ 32,145	$ 38,935
Metro NY/NJ	59,764	57,906	62,988
Mid-Atlantic	40,063	39,529	41,210
Pacific NW	15,745	14,750	15,502
No. California	60,248	54,025	59,354
So. California	51,041	46,473	49,227
Total Established	264,131	244,828	267,216
Other Stabilized (2)	59,308	24,865	34,040
Development/Redevelopment	35,327	25,934	33,875
NOI	$ 358,766	$ 295,627	$ 335,131

(1) Represents NOI from real estate assets sold or held for sale that are not otherwise classified as discontinued operations.

(2) NOI for Q1 2016 Other Stabilized Communities includes $20,306 of business interruption insurance proceeds.

NOI as reported by the Company does not include the operating results from assets sold or classified as held for sale (i.e., assets sold or classified as held for sale at March 31, 2016 that are not otherwise classified as discontinued operations). A reconciliation of NOI from communities sold or classified as held for sale is as follows (dollars in thousands):

	Q1 2016	Q1 2015
Revenue from real estate assets sold or held for sale	$ 1,193	$ 5,398
Operating expenses from real estate assets sold or held for sale	(472)	(2,179)
NOI from real estate assets sold or held for sale	$ 721	$ 3,219

Other Stabilized Communities as of January 1, 2016 are completed consolidated communities that the Company owns, which did not have stabilized operations as of January 1, 2015, but have stabilized occupancy as of January 1, 2016. Other Stabilized Communities as of January 1, 2016 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 second quarter of 2016 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) - Q2 2016	$ 1.46	$ 1.52
Projected depreciation (real estate related)	0.97	1.01
Projected gain on sale of operating communities	(0.36)	(0.40)
Projected FFO per share (diluted) - Q2 2016	2.07	2.13
Gain on sale of land	(0.14)	(0.14)
JV costs, abandoned pursuits and acquisition costs	0.01	0.01
Lost NOI from casualty losses	0.01	0.01
Early extinguishment of consolidated borrowings	0.02	0.02
Projected Core FFO per share (diluted) - Q2 2016	$ 1.97	$ 2.03

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):

	Q1 2016	Q1 2015
Rental revenue (GAAP basis)	$ 374,823	$ 355,414
Concessions amortized	187	1,019
Concessions granted	(204)	(482)
Rental Revenue with Concessions on a Cash Basis	$ 374,806	$ 355,951
% change -- GAAP revenue		5.5%
% change -- cash revenue		5.3%

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 outstanding secured debt as a percentage of total NOI generated by real estate assets. The Company believes that current and prospective unsecured creditors of the Company view Unencumbered NOI as one indication of the borrowing capacity of the Company. Therefore, when reviewed together with the Company's Interest Coverage, EBITDA and cash flow from operations, the Company believes that investors and creditors view Unencumbered NOI as a useful supplemental measure for determining the financial flexibility of an entity. A calculation of Unencumbered NOI for the three months ended March 31, 2016 is as follows (dollars in thousands):

	Quarter to Date NOI
NOI for Established Communities	$ 264,131
NOI for Other Stabilized Communities (1)	59,308
NOI for Development/Redevelopment Communities	35,327
NOI from real estate assets sold or held for sale	721
Total NOI generated by real estate assets	359,487
NOI on encumbered assets	72,435
NOI on unencumbered assets	$ 287,052
Unencumbered NOI	80%

(1) NOI for Q1 2016 Other Stabilized Communities includes $20,306 of business interruption insurance proceeds.

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.

Exhibit 99.2

PRESS RELEASE

For Immediate News Release
April 27, 2016

AVALONBAY COMMUNITIES, INC. ANNOUNCES FIRST QUARTER 2016 OPERATING RESULTS

(Arlington, VA) AvalonBay Communities, Inc. (NYSE: AVB) (the "Company") reported today that Funds from Operations attributable to common stockholders - diluted ("FFO") per share for the three months ended March 31, 2016 increased 10.1% to $2.07 from $1.88 for the prior year period.

Core FFO per share (as defined in this release) for the three months ended March 31, 2016 increased 12.6% to $1.97 from $1.75 for the prior year period.

Net Income Attributable to Common Stockholders for the three months ended March 31, 2016 was $237,931,000. This resulted in an increase in Earnings per Share – diluted ("EPS") of 10.9% to $1.73 for the three months ended March 31, 2016, from $1.56 for the prior year period.

The increases in FFO per share, Core FFO per share and EPS were primarily driven by an increase in Net Operating Income ("NOI") from newly developed and existing operating communities. The increases in FFO per share and EPS were also partially due to business interruption insurance proceeds from the Edgewater casualty loss discussed later in this release.

The following table compares the Company's actual results for FFO per share and Core FFO per share for the first quarter of 2016 to its February 2016 outlook:

First Quarter 2016 Results
Comparison to February 2016 Outlook

	Per Share FFO	Per Share Core FFO
Projected per share - February 2016 outlook (1)	$ 2.07	$ 1.91
Established and Redevelopment Community NOI	0.04	0.04
Other community NOI	0.02	0.02
Casualty and impairment loss	(0.05)	—
Overhead and other	(0.01)	—
Q1 2016 per share reported results	$ 2.07	$ 1.97

(1) The mid-point of the Company's February 2016 outlook.

Commenting on the Company's results, Tim Naughton, Chairman and CEO, said, "Core FFO per share increased 12.6% in the first quarter, driven by same store NOI growth of 7.9% and NOI growth from our lease-up communities. We expect apartment fundamentals to remain favorable in 2016 and support continued healthy growth in Core FFO per share throughout the balance of the year."

Operating Results for the Three Months Ended March 31, 2016 Compared to the Prior Year Period

For the Company, total revenue increased by $66,131,000, or 14.9%, to $508,498,000. This increase is primarily due to growth in revenue from Development Communities and, as noted below, Established Communities, coupled with business interruption insurance proceeds.

For Established Communities, Average Rental Rates increased 5.9%, and were partially offset by a decrease in Economic Occupancy of 0.4%, resulting in an increase in rental revenue of 5.5%. 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 5.6%. Total revenue for Established Communities increased $19,387,000 to $375,025,000. Operating expenses for Established Communities increased $84,000, or 0.1%, to $110,894,000. NOI for Established Communities increased $19,303,000, or 7.9%, to $264,131,000.

The following table reflects the percentage changes in rental revenue, operating expenses and NOI for Established Communities for the first quarter of 2016 compared to the first quarter of 2015:

Q1 2016 Compared to Q1 2015

	Rental Revenue Avg Rent Rates	Rental Revenue Ec Occ	Opex (1)	NOI	% of NOI (2)
New England	5.3%	(0.4)%	(10.2)%	15.9%	14.3%
Metro NY/NJ	3.6%	(0.4)%	3.2 %	3.2%	23.9%
Mid-Atlantic	1.7%	(0.5)%	0.9 %	1.3%	15.1%
Pacific NW	6.9%	(0.4)%	5.5 %	6.7%	5.1%
No. California	10.4%	(0.8)%	3.6 %	11.5%	21.5%
So. California	7.6%	— %	2.6 %	9.8%	20.1%
Total	5.9%	(0.4)%	0.1 %	7.9%	100.0%

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

(2) Represents each region's % of total NOI for Q1 2016, including amounts related to communities that have been sold or that are classified as held for sale.

Development Activity

During the three months ended March 31, 2016, the Company engaged in the following development activity:

The Company completed the development of three communities:

- Avalon Falls Church, located in Falls Church, VA;
- Avalon Glendora, located in Glendora, CA; and
- Avalon Green III, located in Elmsford, NY.

These three communities contain an aggregate of 732 apartment homes and were constructed for an aggregate Total Capital Cost of $212,100,000.

The Company started the construction of Avalon Easton, located in Easton, MA, which will contain 290 apartment homes when completed and will be developed for an estimated Total Capital Cost of $64,000,000.

The Company added one Development Right which, if developed as expected, will contain approximately 1,100 apartment homes and will be developed for an estimated Total Capital Cost of $550,000,000. This Development Right is located on East 96th Street in Manhattan and is part of a public/private partnership with the City of New York's Educational Construction Fund. The project is expected to include the construction of two new public school buildings, public playground improvements, and up to 20,000 square feet of retail in addition to the multifamily rental component, and is expected to have a lengthy public approval process.

The projected Total Capital Cost of overall Development Rights increased to $3.7 billion at March 31, 2016 from $3.4 billion at December 31, 2015.

During 2016 through the date of this release, the Company acquired three parcels of land for development for an aggregate investment of $31,525,000. The Company has started or anticipates starting construction of apartment communities on this land during the next six months.

Acquisition Activity

In January 2016, the Company acquired Avalon Hoboken located in Hoboken, NJ. Avalon Hoboken contains 217 apartment homes and was acquired for a purchase price of $129,700,000, which includes the assumption of an interest-only mortgage loan secured by the community in the amount of $67,904,000. The mortgage loan has a 4.18% fixed interest rate and matures in December 2020.

In February 2016, the Company acquired Avalon Potomac Yard located in Alexandria, VA. Avalon Potomac Yard contains 323 apartment homes and was acquired for a purchase price of $108,250,000.

Disposition Activity

Consolidated Apartment Communities

During the three months ended March 31, 2016, the Company sold Eaves Trumbull, a wholly-owned community located in Trumbull, CT. Eaves Trumbull contains 340 apartment homes and was sold for $70,250,000, resulting in a gain in accordance with GAAP of $51,430,000 and an Economic Gain of $29,391,000. Eaves Trumbull generated an Unleveraged IRR of 12.3% over an investment period of 18.4 years.

Unconsolidated Real Estate Investments

During the three months ended March 31, 2016, AvalonBay Value Added Fund II, L.P. ("Fund II"), a private discretionary real estate investment vehicle in which the Company holds an equity interest of approximately 31.3%, sold one community containing 676 apartment homes for a sales price of $158,000,000. The Company's share of the gain in accordance with GAAP was $13,057,000. In conjunction with the disposition, Fund II repaid $68,091,000 of related secured indebtedness in advance of the scheduled maturity date. This resulted in charges for a prepayment penalty and write-off of deferred financing costs, of which the Company's portion was $1,207,000, reported as a reduction of joint venture income.

During the three months ended March 31, 2016, Multifamily Partners AC LP (the "U.S. Fund"), a private discretionary real estate investment vehicle in which the Company holds an equity interest of approximately 28.6%, sold two communities containing an aggregate of 461 apartment homes for an aggregate sales price of $229,300,000. The Company's aggregate share of the gain in accordance with GAAP was $16,568,000. In conjunction with the disposition of these communities, the U.S. Fund repaid an aggregate of $94,822,000 of related secured indebtedness in advance of the scheduled maturity dates. This resulted in charges for prepayment penalties and write-offs of deferred financing costs, of which the Company's portion was $2,003,000, reported as a reduction of joint venture income.

Liquidity and Capital Markets

In January 2016, the Company entered into an amendment to increase its borrowing capacity under its unsecured credit facility from $1,300,000,000 to $1,500,000,000. In addition, the Company extended the term of the credit facility from April 2017 to April 2020, with one nine-month extension option available. As part of the amendment, the Company's current margin over LIBOR decreased to 0.825% from 0.95%, and its annual facility fee decreased to 0.125% from 0.15%.

At March 31, 2016, the Company did not have any borrowings outstanding under its $1,500,000,000 unsecured credit facility, and had $267,902,000 in unrestricted cash and cash in escrow.

The Company's annualized Net Debt-to-Core EBITDA for the first quarter of 2016 was 5.0 times.

During the three months ended March 31, 2016, the Company repaid a $16,212,000 fixed rate secured mortgage note with an effective interest rate of 3.32% at par in advance of its maturity date. Upon repayment, the Company substituted the operating community securing this borrowing as collateral for another secured borrowing.

Edgewater Insurance Settlement

During the three months ended March 31, 2016, the Company reached a final property and casualty insurance settlement for the property damage and lost income for the fire that occurred in 2015 at Avalon at Edgewater ("Edgewater"). In 2015 and 2016, the Company received aggregate insurance recoveries for Edgewater of $73,008,000, after self-insurance and deductibles. During the three months ended March 31, 2016, the Company received the final $29,008,000 of these recoveries, of which $8,702,000 was recognized as casualty and impairment gain, net and $20,306,000 was recognized as business interruption insurance recoveries, included in rental and other income.

Second Quarter 2016 Financial Outlook

For its second quarter 2016 financial outlook, the Company expects the following:

Projected EPS, Projected FFO and Projected Core FFO Outlook

	Q2 2016		
	Low		High
Projected EPS	$1.46	-	$1.52
Projected FFO per share	$2.07	-	$2.13
Projected Core FFO per share (1)	$1.97	-	$2.03

(1) Core FFO per share is adjusted for the items detailed in Attachment 12.

Second Quarter Conference Schedule

The Company is scheduled to participate in the NAREIT Institutional Investor Forum in New York, NY, from June 7-9, 2016. During this conference, management may discuss and present information about the Company's current operating environment; operating trends; development, redevelopment, disposition and acquisition activity; portfolio strategy; historical rates of return from development and acquisition activity; and other business and financial matters affecting the Company. Details on how to access related materials will be available beginning June 6, 2016 on the Company's website at http://www.avalonbay.com/events.

Other Matters

The Company will hold a conference call on April 28, 2016 at 1:00 PM ET to review and answer questions about this release, its first quarter 2016 results, the Attachments (described below) and related matters. To participate on the call, dial 800-479-9001 domestically and 719-325-2327 internationally and use conference id: 4746300.

To hear a replay of the call, which will be available from April 28, 2016 at 6:00 PM ET to May 5, 2016 at 6:00 PM ET, dial 888-203-1112 domestically and 719-457-0820 internationally and use conference id: 4746300. 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 April 28, 2016. These supplemental materials will be available on the Company's website for 30 days following the earnings call.

About AvalonBay Communities, Inc.

As of March 31, 2016, the Company owned or held a direct or indirect ownership interest in 282 apartment communities containing 83,049 apartment homes in 10 states and the District of Columbia, of which 24 communities were under construction and 11 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.

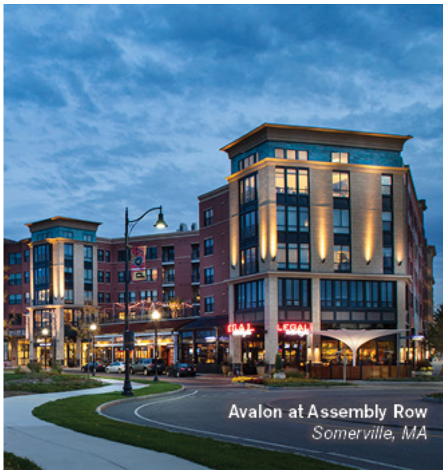
Forward-Looking Statements

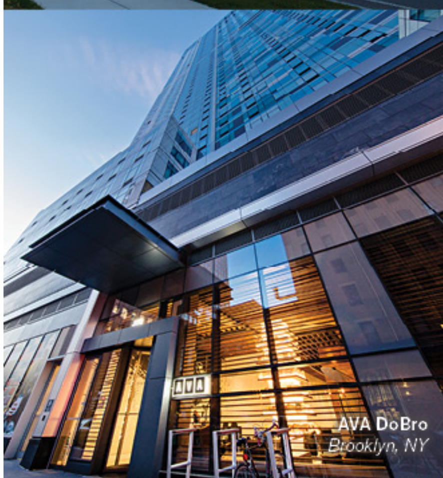
This release, including its Attachments, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements, which you can identify by the Company's use of 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 potential uninsured loss amounts and on-going investigations resulting from the Edgewater casualty loss are subject to change and could materially affect the Company's current expectations regarding the impact of the fire; 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, 2015 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 2016 operating results and other financial data forecasts contained in this release. The Company may, in its discretion, provide information in future public announcements regarding its outlook that may be of interest to the investment community. The format and extent of future outlooks may be different from the format and extent of the information contained in this release.

Definitions and Reconciliations

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


Avalon at Assembly Row
Somerville, MA


AVA DoBro
Brooklyn, NY

eaves Creekside
Mountain View, CA

FIRST QUARTER 2016
Supplemental Operating and Financial Data

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

AvalonBay
COMMUNITIES

FIRST QUARTER 2016

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 that accompanies these attachments. Among other risks, development opportunities may be abandoned; Total Capital Cost of a community may exceed original estimates, possibly making the community uneconomical and/or affecting projected returns; construction and lease-up may not be completed on schedule, resulting in increased debt service and construction costs; and other risks described in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and the Company's Quarterly Reports on Form 10-Q for subsequent quarters, could cause actual results to differ materially from such projections and estimates.

Attachment 1

AvalonBay Communities, Inc.
Detailed Operating Information
March 31, 2016
(Dollars in thousands except per share data)
(unaudited)

	Q1 2016	Q1 2015	% Change
Revenue:			
Rental and other income (1)	$ 506,974	$ 439,756	15.3 %
Management, development and other fees	1,524	2,611	(41.6)%
Total	508,498	442,367	14.9 %
Operating expenses:			
Direct property operating expenses, excluding property taxes	97,387	93,723	3.9 %
Property taxes	50,067	47,177	6.1 %
Property management and other indirect operating expenses	18,094	18,020	0.4 %
Total operating expenses	165,548	158,920	4.2 %
Interest expense, net	(43,410)	(45,573)	(4.7)%
General and administrative expense	(11,404)	(10,468)	8.9 %
Joint venture income (2)	27,969	34,566	(19.1)%
Investments and investment management	(1,145)	(1,034)	10.7 %
Expensed acquisition, development and other pursuit costs, net of recoveries (3)	(3,462)	(1,187)	191.7 %
Depreciation expense	(127,216)	(116,853)	8.9 %
Income tax expense	(37)	(15)	146.7 %
Casualty and impairment gain (loss), net (4)	2,202	(5,788)	N/A
Gain on sale of real estate	—	22	(100.0)%
Gain on sale of communities	51,430	70,936	(27.5)%
Net income	237,877	208,053	14.3 %
Net loss attributable to noncontrolling interests	54	91	(40.7)%
Net income attributable to common stockholders	$ 237,931	$ 208,144	14.3 %
Net income attributable to common stockholders per common share - basic	$ 1.73	$ 1.57	10.2 %
Net income attributable to common stockholders per common share - diluted	$ 1.73	$ 1.56	10.9 %
Funds from Operations	$ 284,587	$ 250,577	13.6 %
Per common share - diluted	$ 2.07	$ 1.88	10.1 %
Dividends declared - common	$ 185,168	$ 165,237	12.1 %
Per common share	$ 1.35	$ 1.25	8.0 %
Average shares and participating securities outstanding - basic	137,149,999	132,219,579	3.7 %
Average shares outstanding - diluted	137,383,044	133,175,773	3.2 %
Total outstanding common shares and operating partnership units	137,169,607	132,197,126	3.8 %

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

(2) Amount for the three months ended March 31, 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, and income of $2,002 related to the wind down of joint ventures entered into with Equity Residential as part of the Archstone acquisition, as described in the Company's first quarter 2013 earnings release dated April 30, 2013.

(3) Amount for the three months ended March 31, 2016 includes $1,616 related to the non-cash write-off of asset management fee intangibles primarily associated with the disposition of communities in the U.S. Fund.

(4) Amount for the three months ended March 31, 2016 includes $8,702 in property damage insurance proceeds for the Edgewater casualty loss, partially offset by an aggregate impairment charge of $6,500 relating to two undeveloped land parcels. Amount for the three months ended March 31, 2015 includes $4,195 for property and casualty damage related to severe winter storms in the Company's Northeast markets.

Attachment 2

AvalonBay Communities, Inc.
Condensed Consolidated Balance Sheets
March 31, 2016
(Dollars in thousands)
(unaudited)

	March 31, 2016	December 31, 2015
Real estate	$ 17,658,917	$ 17,139,939
Less accumulated depreciation	(3,430,592)	(3,303,751)
Net operating real estate	14,228,325	13,836,188
Construction in progress, including land	1,587,132	1,592,917
Land held for development	477,072	476,871
Real estate assets held for sale, net	18,449	36,333
Total real estate, net	16,310,978	15,942,309
Cash and cash equivalents	97,541	400,507
Cash in escrow	170,361	104,821
Resident security deposits	31,964	30,077
Investments in unconsolidated real estate entities	182,367	216,919
Other assets	250,179	236,672
Total assets	$ 17,043,390	$ 16,931,305
Unsecured notes, net	$ 3,846,854	$ 3,845,674
Unsecured credit facility	—	—
Notes payable, net	2,655,726	2,611,274
Resident security deposits	55,770	53,132
Liabilities related to real estate assets held for sale	—	553
Other liabilities	628,381	570,149
Total liabilities	$ 7,186,731	$ 7,080,782
Redeemable noncontrolling interests	10,127	9,997
Equity	9,846,532	9,840,526
Total liabilities and equity	$ 17,043,390	$ 16,931,305

Attachment 3

AvalonBay Communities, Inc.
Sequential Operating Information by Business Segment (1)
March 31, 2016
(Dollars in thousands)
(unaudited)

	Total Apartment Homes	Quarter Ended March 31, 2016	Quarter Ended December 31, 2015
RENTAL REVENUE (2)			
Established (3)	55,060	$ 374,823	$ 373,495
Other Stabilized (3) (4)	8,530	56,640	51,068
Redevelopment (3)	4,893	40,867	40,881
Development (3)	9,554	12,355	8,492
Total Consolidated Communities	78,037	$ 484,685	$ 473,936
OPERATING EXPENSE			
Established		$ 110,894	$ 106,500
Other Stabilized (4)		18,179	17,446
Redevelopment		11,989	12,026
Development		5,935	4,536
Total Consolidated Communities		$ 146,997	$ 140,508
NOI (3)			
Established		$ 264,131	$ 267,216
Other Stabilized (4) (5)		59,308	34,040
Redevelopment		29,052	29,029
Development		6,275	4,846
Total Consolidated Communities		$ 358,766	$ 335,131
AVERAGE REVENUE PER OCCUPIED HOME (6)			
Established		$ 2,373	$ 2,369
Other Stabilized (4)		$ 2,304	$ 2,224
Redevelopment		$ 2,945	$ 2,940
ECONOMIC OCCUPANCY (6)			
Established		95.6%	95.4%
Other Stabilized (4)		95.4%	95.1%
Redevelopment		94.5%	94.7%
ESTABLISHED COMMUNITIES TURNOVER			
Current year period / Prior year period (7)		42.4% / 41.1%	47.9% / 44.7%

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

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

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

(4) Results for these communities for quarters prior to January 1, 2016 may reflect community operations prior to stabilization, including periods of lease-up, such that occupancy levels are below what would be considered stabilized.

(5) NOI for Q1 2016 Other Stabilized Communities includes $20,306 of business interruption insurance proceeds.

(6) For per home rent projections and economic occupancy for Development Communities currently under construction and/or completed in Q1 2016 see Attachment #7, Development Communities.

(7) 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.

(8) Redevelopment Communities includes nine communities containing 2,795 apartment homes that are currently under active Redevelopment as of March 31, 2016.

CAPITALIZED COSTS

	Cap Interest	Cap Overhead	Non-Rev Capex per Home
Q116	$20,609	$11,881	$174
Q415	$20,648	$11,442	$310
Q315	$20,356	$10,559	$210
Q215	$19,800	$11,180	$110
Q115	$19,030	$10,762	$113

REDEVELOPMENT COMMUNITIES (8)

	Total Capital Cost	Remaining to Invest
Q116	$154,900	$79,100

Attachment 4

AvalonBay Communities, Inc.
Quarterly Rental Revenue and Occupancy Changes - Established Communities (1)
March 31, 2016

	Apartment Homes	Average Rental Rates (2)			Economic Occupancy			Rental Revenue ($000s) (3)			
		Q1 16	Q1 15	% Change	Q1 16	Q1 15	% Change	Q1 16	Q1 15	% Change	% Change incl. Redev (4)
New England											
Boston, MA	6,711	$ 2,253	$ 2,139	5.3%	95.2%	95.4%	(0.2)%	$ 43,190	$ 41,075	5.1%	5.2%
Fairfield-New Haven, CT	2,299	2,318	2,203	5.2%	95.2%	96.2%	(1.0)%	15,215	14,604	4.2%	4.2%
New England Average	9,010	2,269	2,154	5.3%	95.2%	95.6%	(0.4)%	58,405	55,679	4.9%	4.9%
Metro NY/NJ											
New York City, NY	2,626	3,716	3,578	3.9%	95.5%	95.0%	0.5 %	27,964	26,786	4.4%	4.2%
New York - Suburban	3,928	2,862	2,785	2.8%	95.2%	95.8%	(0.6)%	32,119	31,423	2.2%	2.4%
New Jersey	4,276	2,248	2,159	4.1%	95.9%	96.8%	(0.9)%	27,644	26,778	3.2%	3.2%
Metro NY/NJ Average	10,830	2,827	2,729	3.6%	95.5%	95.9%	(0.4)%	87,727	84,987	3.2%	3.3%
Mid-Atlantic											
Washington Metro/Baltimore, MD	9,575	2,100	2,065	1.7%	95.3%	95.8%	(0.5)%	57,524	56,819	1.2%	1.2%
Mid-Atlantic Average	9,575	2,100	2,065	1.7%	95.3%	95.8%	(0.5)%	57,524	56,819	1.2%	1.2%
Pacific Northwest											
Seattle, WA	3,727	2,016	1,885	6.9%	95.7%	96.1%	(0.4)%	21,567	20,244	6.5%	6.5%
Pacific Northwest Average	3,727	2,016	1,885	6.9%	95.7%	96.1%	(0.4)%	21,567	20,244	6.5%	6.5%
Northern California											
San Jose, CA	3,792	2,619	2,357	11.1%	96.1%	96.7%	(0.6)%	28,625	25,912	10.5%	10.1%
Oakland-East Bay, CA	3,028	2,363	2,125	11.2%	95.7%	96.0%	(0.3)%	20,544	18,528	10.9%	11.3%
San Francisco, CA	3,167	3,239	2,961	9.4%	94.9%	96.5%	(1.6)%	29,227	27,101	7.8%	7.8%
Northern California Average	9,987	2,738	2,479	10.4%	95.6%	96.4%	(0.8)%	78,396	71,541	9.6%	9.7%
Southern California											
Los Angeles, CA	8,196	2,098	1,941	8.1%	96.8%	96.7%	0.1 %	49,918	46,144	8.2%	7.9%
Orange County, CA	2,657	1,997	1,880	6.2%	95.9%	96.0%	(0.1)%	15,269	14,385	6.1%	6.1%
San Diego, CA	1,078	1,972	1,832	7.6%	94.4%	94.8%	(0.4)%	6,017	5,615	7.2%	9.9%
Southern California Average	11,931	2,064	1,918	7.6%	96.4%	96.4%	0.0 %	71,204	66,144	7.6%	7.9%
Average/Total Established	55,060	$ 2,373	$ 2,241	5.9%	95.6%	96.0%	(0.4)%	$ 374,823	$ 355,414	5.5%	5.6%

(1) Established Communities are communities with Stabilized Operations as of January 1, 2015 such that a comparison of Q1 2015 to Q1 2016 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 Q1 2015 to Q1 2016.

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

Attachment 5

AvalonBay Communities, Inc.
Sequential Quarterly Rental Revenue and Occupancy Changes - Established Communities
March 31, 2016

	Apartment Homes	Average Rental Rates (1)			Economic Occupancy			Rental Revenue ($000s)			
		Q1 16	Q4 15	% Change	Q1 16	Q4 15	% Change	Q1 16	Q4 15	% Change	% Change incl. Redev (2)
New England											
Boston, MA	6,711	$ 2,253	$ 2,274	(0.9)%	95.2%	95.8%	(0.6)%	$ 43,190	$ 43,860	(1.5)%	(1.8)%
Fairfield-New Haven, CT	2,299	2,318	2,324	(0.3)%	95.2%	95.9%	(0.7)%	15,215	15,367	(1.0)%	(1.0)%
New England Average	9,010	2,269	2,287	(0.8)%	95.2%	95.8%	(0.6)%	58,405	59,227	(1.4)%	(1.6)%
Metro NY/NJ											
New York City, NY	2,626	3,716	3,752	(1.0)%	95.5%	95.5%	0.0 %	27,964	28,234	(1.0)%	(0.9)%
New York - Suburban	3,928	2,862	2,891	(1.0)%	95.2%	95.1%	0.1 %	32,119	32,418	(0.9)%	(0.8)%
New Jersey	4,276	2,248	2,268	(0.9)%	95.9%	95.4%	0.5 %	27,644	27,761	(0.4)%	(0.4)%
Metro NY/NJ Average	10,830	2,827	2,855	(1.0)%	95.5%	95.3%	0.2 %	87,727	88,413	(0.8)%	(0.8)%
Mid-Atlantic											
Washington Metro/Baltimore, MD	9,575	2,100	2,094	0.3 %	95.3%	95.6%	(0.3)%	57,524	57,539	0.0 %	0.2 %
Mid-Atlantic Average	9,575	2,100	2,094	0.3 %	95.3%	95.6%	(0.3)%	57,524	57,539	0.0 %	0.2 %
Pacific Northwest											
Seattle, WA	3,727	2,016	2,012	0.2 %	95.7%	94.5%	1.2 %	21,567	21,279	1.4 %	1.4 %
Pacific Northwest Average	3,727	2,016	2,012	0.2 %	95.7%	94.5%	1.2 %	21,567	21,279	1.4 %	1.4 %
Northern California											
San Jose, CA	3,792	2,619	2,591	1.1 %	96.1%	95.0%	1.1 %	28,625	28,008	2.2 %	2.3 %
Oakland-East Bay, CA	3,028	2,363	2,366	(0.1)%	95.7%	94.9%	0.8 %	20,544	20,398	0.7 %	0.9 %
San Francisco, CA	3,167	3,239	3,232	0.2 %	94.9%	94.9%	0.0 %	29,227	29,141	0.3 %	0.3 %
Northern California Average	9,987	2,738	2,726	0.4 %	95.6%	94.9%	0.7 %	78,396	77,547	1.1 %	1.3 %
Southern California											
Los Angeles, CA	8,196	2,098	2,059	1.9 %	96.8%	95.7%	1.1 %	49,918	48,474	3.0 %	2.7 %
Orange County, CA	2,657	1,997	1,978	1.0 %	95.9%	95.2%	0.7 %	15,269	15,013	1.7 %	1.7 %
San Diego, CA	1,078	1,972	1,944	1.4 %	94.4%	95.6%	(1.2)%	6,017	6,003	0.2 %	0.7 %
Southern California Average	11,931	2,064	2,032	1.6 %	96.4%	95.5%	0.9 %	71,204	69,490	2.5 %	2.2 %
Average/Total Established	55,060	$ 2,373	$ 2,369	0.2 %	95.6%	95.4%	0.2 %	$ 374,823	$ 373,495	0.4 %	0.4 %

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

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

AvalonBay Communities, Inc.
Operating Expenses ("Opex") - Established Communities (1)
March 31, 2016
(Dollars in thousands)
(unaudited)

	Q1 2016	Q1 2015	% Change	Q1 2016 % of Total Opex
Property taxes (2)	$ 37,988	$ 36,923	2.9 %	34.3%
Payroll	25,454	24,867	2.4 %	23.0%
Repairs & maintenance	16,792	16,727	0.4 %	15.1%
Office operations (3)	12,672	11,898	6.5 %	11.4%
Utilities (4)	11,176	13,479	(17.1)%	10.1%
Insurance (5)	4,459	3,953	12.8 %	4.0%
Marketing (6)	2,353	2,963	(20.6)%	2.1%
Total Established Communities Operating Expenses (7)	**$ 110,894**	**$ 110,810**	**0.1 %**	**100.0%**

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

(2) Property taxes increased for the three months ended March 31, 2016 over the prior year period, primarily due to increases in assessments in the current year and successful appeals in the prior year period in the Company's West Coast markets.

(3) Office operations includes administrative costs, land lease expense, bad debt expense and association and license fees. The increase for the three months ended March 31, 2016 over the prior year period is primarily due to an increase in rent write-offs and bad debt expense, partially offset by a decrease in state franchise taxes.

(4) Utilities represent aggregate utility costs, net of resident reimbursements. The decrease for the three months ended March 31, 2016 from the prior year period is primarily due to decreased energy consumption as a result of milder winter weather as well as lower energy rates. Increased water/sewer reimbursements also contributed to the decrease in expense from the prior year period.

(5) Insurance costs consist of premiums, expected claims activity and associated reductions from receipt of claims recoveries. The increase for the three months ended March 31, 2016 over the prior year period is primarily due to increased property and general liability premiums, as well as the timing of claims and related recoveries. Insurance costs can be volatile due to the amounts and timing of estimated and actual claim activity and the related recoveries received.

(6) Marketing costs represent amounts incurred for electronic and print advertising, as well as prospect management and incentive costs. The decrease for the three months ended March 31, 2016 from the prior year period is primarily due to a decrease in customer service incentives that were related to the severe winter storms in the Company's Northeast markets that occurred during the three months ended March 31, 2015, partially offset by an increase in internet advertising.

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

AvalonBay Communities, Inc.
Development Communities as of March 31, 2016

Development Name	Location	Number of Apt Homes	Total Capital Cost (millions) (1)	Start	Initial Occupancy	Complete	Full Qtr Stabilized Ops (1)	Avg Rent Per Home (1)	% Complete	% Leased	% Occupied	% Economic Occ. Q1 '16 (1)
				Schedule					As of April 15, 2016			
Under Construction:												
1. Avalon Willoughby Square/AVA DoBro	Brooklyn, NY	826	$ 444.9	Q3 2013	Q4 2015	Q4 2016	Q3 2017	$3,540	33.5%	24.0%	16.6%	10.2%
2. AVA Capitol Hill (2)	Seattle, WA	249	81.4	Q1 2014	Q4 2015	Q2 2016	Q4 2016	2,375	100.0%	69.9%	59.0%	34.2%
3. Avalon Dublin Station II	Dublin, CA	252	84.6	Q2 2014	Q4 2015	Q3 2016	Q4 2016	2,755	65.1%	48.8%	41.3%	22.5%
4. Avalon Union	Union, NJ	202	50.7	Q4 2014	Q4 2015	Q2 2016	Q4 2016	2,470	73.8%	67.3%	59.4%	31.2%
5. Avalon Irvine III	Irvine, CA	156	55.0	Q2 2014	Q1 2016	Q2 2016	Q4 2016	2,405	100.0%	56.4%	46.8%	17.0%
6. Avalon Huntington Beach (2)	Huntington Beach, CA	378	120.3	Q2 2014	Q1 2016	Q2 2017	Q4 2017	2,115	11.6%	10.6%	4.0%	1.1%
7. Avalon Esterra Park (2)	Redmond, WA	482	137.8	Q3 2014	Q1 2016	Q2 2017	Q4 2017	2,030	18.3%	3.9%	2.7%	0.4%
8. Avalon Laurel	Laurel, MD	344	72.4	Q2 2015	Q2 2016	Q1 2017	Q3 2017	1,850	15.1%	1.5%	0.3%	—
9. Avalon Alderwood II	Lynnwood, WA	124	26.5	Q1 2015	Q2 2016	Q3 2016	Q4 2016	1,670	—	8.1%	—	—
10. Avalon Hunt Valley	Hunt Valley, MD	332	74.0	Q1 2015	Q3 2016	Q2 2017	Q4 2017	1,795	—	—	—	—
11. Avalon Princeton	Princeton, NJ	280	95.5	Q4 2014	Q3 2016	Q2 2017	Q4 2017	2,890	—	—	—	—
12. Avalon Quincy	Quincy, MA	395	95.3	Q2 2015	Q3 2016	Q2 2017	Q4 2017	2,165	—	—	—	—
13. Avalon West Hollywood (2)	West Hollywood, CA	294	151.7	Q2 2014	Q4 2016	Q3 2017	Q2 2018	3,495	—	—	—	—
14. Avalon North Station	Boston, MA	503	257.9	Q3 2014	Q4 2016	Q4 2017	Q2 2018	3,575	—	—	—	—
15. Avalon Great Neck	Great Neck, NY	191	78.9	Q2 2015	Q1 2017	Q2 2017	Q4 2017	3,570	—	—	—	—
16. AVA NoMa	Washington, D.C.	438	148.3	Q2 2015	Q2 2017	Q1 2018	Q3 2018	2,535	—	—	—	—
17. Avalon Newcastle I (2)	Newcastle, WA	378	110.1	Q3 2015	Q4 2016	Q4 2017	Q2 2018	2,245	—	—	—	—
18. Avalon Chino Hills	Chino Hills, CA	331	96.9	Q3 2015	Q4 2016	Q4 2017	Q2 2018	2,080	—	—	—	—
19. Avalon Sheepshead Bay (3)	Brooklyn, NY	180	86.4	Q3 2015	Q3 2017	Q4 2017	Q2 2018	3,255	—	—	—	—
20. Avalon Maplewood	Maplewood, NJ	235	66.3	Q4 2015	Q3 2017	Q1 2018	Q3 2018	2,270	—	—	—	—
21. Avalon Rockville Centre II	Rockville Centre, NY	165	57.8	Q4 2015	Q3 2017	Q4 2017	Q2 2018	2,785	—	—	—	—
22. AVA Wheaton	Wheaton, MD	319	75.6	Q4 2015	Q2 2017	Q1 2018	Q3 2018	1,870	—	—	—	—
23. Avalon Dogpatch	San Francisco, CA	326	203.4	Q4 2015	Q4 2017	Q3 2018	Q1 2019	4,450	—	—	—	—
24. Avalon Easton	Easton, MA	290	64.0	Q1 2016	Q2 2017	Q1 2018	Q3 2018	1,990	—	—	—	—
Subtotal / Weighted Average		7,670	$ 2,735.7					$2,650				
Completed this Quarter:												
1. Avalon Falls Church	Falls Church, VA	384	$ 106.3	Q1 2014	Q1 2015	Q1 2016	Q3 2016	$2,220	100.0%	92.4%	85.7%	75.7%
2. Avalon Glendora	Glendora, CA	280	83.5	Q4 2013	Q2 2015	Q1 2016	Q3 2016	2,045	100.0%	94.3%	87.1%	66.2%
3. Avalon Green III	Elmsford, NY	68	22.3	Q4 2014	Q3 2015	Q1 2016	Q3 2016	3,115	100.0%	77.9%	69.1%	48.6%
Subtotal / Weighted Average		732	$ 212.1					$2,235				
Total / Weighted Average		8,402	$ 2,947.8					$2,615				

Asset Cost Basis (millions) (4):

Total Capital Cost, under construction and completed	$ 3,249.0
Total Capital Cost, disbursed to date	(2,175.1)
Total Capital Cost, remaining to invest	$ 1,073.9

Weighted Average Projected NOI as a % of Total Capital Cost (1): 6.3%

(1) See Attachment #12 - 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 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 in this attachment represents only the Company's portion of the project. The Company is providing a construction loan to the development partner, expected to be $48.8 million, which together with the partner's contributed equity is expected to fund the condominium portion of the project.

(4) Includes the communities presented in this attachment plus three additional communities with 928 apartment homes representing $301.2 million in Total Capital Costs which has completed construction but not yet achieved Stabilized Operations for the full quarter. Q1 2016 NOI for these 30 communities was $5.1 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 first quarter of 2016.

Attachment 8

AvalonBay Communities, Inc.
Future Development as of March 31, 2016

DEVELOPMENT RIGHTS (1)

	# of Rights	Estimated Number of Homes	Total Capital Cost (1) (2) (millions)
Development Rights as of 12/31/2015	**32**	**9,634**	**$ 3,418**
Q1 2016			
Q1 2016 Additions	1	1,100	$ 550
Q1 2016 Construction starts	(1)	(290)	(64)
Q1 2016 Adjustments to existing Development Rights	(2)	(699)	(184)
Development Rights as of 3/31/2016	**30**	**9,745**	**$ 3,720**

Current Development Rights by Region as of March 31, 2016

	# of Rights	Estimated Number of Homes	Total Capital Cost (1) (2) (millions)
New England	6	1,469	$ 490
Metro NY/NJ	12	4,342	1,756
Mid-Atlantic	3	1,067	279
Pacific Northwest	4	1,194	373
Northern California	4	978	481
Southern California	1	695	341
Total	**30**	**9,745**	**$ 3,720**

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

(2) As of March 31, 2016, the Company owns land (including pursuit costs) in the amount of $477 million for the future development of five of the 30 Development Rights. Construction is expected to commence during the next 12 months on four of the five Development Rights for which land is owned with a total basis of $452 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 first quarter of 2016.

Attachment 9

AvalonBay Communities, Inc.
Unconsolidated Real Estate Investments
March 31, 2016
(Dollars in thousands)
(unaudited)

Unconsolidated Real Estate Investments (1)	# of Communities	Company Ownership Percentage (2)	# of Apartment Homes	NOI (3) Q1 2016	Debt Principal Amount (3)		Debt Interest Rate (4)
Fund II	5	31.3%	2,204	$ 8,151	$ 217,704		4.24%
U.S. Fund	7	28.6%	1,269	7,286	277,836		3.43%
Multifamily Partners AC JV LP	3	20.0%	921	4,587	162,300	(5)	6.00%
MVP I, LLC	1	25.0%	313	2,880	103,000		3.24%
Brandywine Apartments of Maryland, LLC	1	28.7%	305	1,293	23,705		3.40%
Total Unconsolidated Real Estate Investments	17		5,012	$ 24,197	$ 784,545		4.16%

(1) Excludes development joint ventures.

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

(3) NOI and outstanding indebtedness are presented at 100% ownership. NOI includes $1,900 for the three months ended March 31, 2016 from one Fund II community and two U.S. Fund 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 March 31, 2016.

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

Attachment 10

AvalonBay Communities, Inc.
Debt Structure and Select Debt Metrics
March 31, 2016
(Dollars in thousands)
(unaudited)

DEBT COMPOSITION AND MATURITIES

Debt Composition (1)	Amount (2)	Average Interest Rate (3)
Conventional Debt		
Long-term, fixed rate	$ 5,067,468	
Long-term, variable rate	399,503	
Variable rate facility (4)	—	
Subtotal, Conventional	5,466,971	4.2%
Tax-Exempt Debt		
Long-term, fixed rate	116,768	
Long-term, variable rate	945,095	
Subtotal, Tax-Exempt	1,061,863	2.2%
Total Debt	$ 6,528,834	3.8%

Maturities (1) (2)	
2016	$ 262,156
2017	$ 976,957
2018	$ 93,186
2019	$ 593,125
2020	$ 772,353

SELECT DEBT METRICS (5)

Net Debt-to-Core EBITDA	5.0x
Interest Coverage	7.2x
Unencumbered NOI	80%

DEBT COVENANT COMPLIANCE (5)

Unsecured Line of Credit Covenants	March 31, 2016	Requirement
Total Outstanding Indebtedness to Capitalization Value (6)	26.9%	≤ 60%
Combined EBITDA to Combined Debt Service	5.86x	≥ 1.50x
Unsecured Indebtedness to Unencumbered Asset Value	18.7%	≤ 65%
Secured Indebtedness to Capitalization Value (6)	11.2%	≤ 40%

Unsecured Senior Notes Covenants	March 31, 2016	Requirement
Total Outstanding Indebtedness to Total Assets (7)	35.8%	≤ 60%
Secured Indebtedness to Total Assets (7)	13.1%	≤ 40%
Unencumbered Assets to Unsecured Indebtedness	412.9%	≥ 150%
Consolidated Income Available for Debt Service to the Annual Service Charge	7.55x	≥ 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, mark-to-market premiums and deferred financing costs.

(3) Rates are as of March 31, 2016 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 $1.5 billion unsecured credit facility, under which no amounts were outstanding at March 31, 2016.

(5) See Attachment #12 - 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 three months ended March 31, 2016, capitalized at a rate of 6% per annum, plus the book value of Development Communities and real estate communities acquired. For discussion of other defined terms, see "Debt Covenant Compliance" in Attachment #12 - Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms.

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

Attachment 11

AvalonBay Communities, Inc.
Summary of Disposition Activity (1)
March 31, 2016
(Dollars in thousands)
(unaudited)

Number of Communities Sold	Weighted Average Investment Period (Years)	Gross Sales Price	GAAP Gain	Accumulated Depreciation and Other	Economic Gain (Loss) (2)	Weighted Average Initial Year Mkt. Cap Rate (2)	Weighted Average Unleveraged IRR (2)
2007- 2011:							
24 Communities (3) (4) (5)	**11.8**	**$ 1,324,465**	**$ 664,998**	**$ 158,213**	**$ 506,785**	**5.4%**	**14.1%**
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:							
3 Communities	**11.5**	**$ 265,500**	**$ 115,625**	**$ 47,451**	**$ 68,174**	**5.3%**	**10.1%**
2016:							
1 Community	**18.4**	**$ 70,250**	**$ 51,430**	**$ 22,039**	**$ 29,391**	**5.2%**	**12.3%**
2007 - 2016 Total							
44 Communities	**12.5**	**$ 3,157,465**	**$ 1,362,733**	**$ 411,675**	**$ 951,058**	**5.2%**	**13.1%**

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

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

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

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

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

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

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

Attachment 12

AvalonBay Communities, Inc.
Definitions and Reconciliations of Non-GAAP Financial Measures and Other Terms
March 31, 2016

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

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 common share and per share data):

	Q1 2016	Q1 2015
FFO, actual	$ 284,587	$ 250,577
Adjusting Items		
Joint venture losses (gains) (1)	4,994	(2,002)
Business interruption insurance proceeds	(20,334)	(87)
Casualty and impairment (gain) loss, net (2)	(2,202)	1,593
Lost NOI from casualty losses	1,870	1,647
Acquisition costs	1,101	878
Severance related costs	585	1,648
Development pursuit and other write-offs	433	98
Joint venture promote (3)	—	(20,680)
Gain on sale of real estate	—	(22)
Core FFO	$ 271,034	$ 233,650
Core FFO per share	$ 1.97	$ 1.75
Average shares outstanding - diluted	137,383,044	133,175,773

(1) Amount for 2016 is primarily composed of the Company's portion of yield maintenance charges incurred for the early repayment of debt associated with joint venture disposition activity, and the write-off of asset management fee intangibles primarily associated with the disposition of communities in the U.S. Fund. Amount for 2015 is primarily composed 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) Amount for 2016 is primarily composed of property damage insurance proceeds for the Edgewater casualty loss, partially offset by an impairment charge for two undeveloped land parcels. Amount for 2015 is primarily composed of costs from the Edgewater casualty loss and an impairment charge on an undeveloped land parcel, partially offset by insurance proceeds.

(3) Amount for 2015 is for a joint venture partner's buyout of the Company's promoted interest in future distributions of MVP I, LLC.

Attachment 12

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

The Debt Covenant Compliance ratios are provided only to show the Company's compliance with certain covenants contained in the Indenture governing its unsecured debt securities and in the Company's Credit Facility and Term 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 March 31, 2016 as well as prior years' activities is presented elsewhere on Attachment 11.

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

Established Communities are 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 2016 operating results, Established Communities are consolidated communities that have Stabilized Operations as of January 1, 2015 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 12

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):

	Q1 2016	Q1 2015
Net income attributable to common stockholders	$ 237,931	$ 208,144
Depreciation - real estate assets, including discontinued operations and joint venture adjustments	127,701	118,320
Distributions to noncontrolling interests, including discontinued operations	10	9
Gain on sale of unconsolidated entities holding previously depreciated real estate assets	(29,625)	(9,155)
Gain on sale of previously depreciated real estate assets	(51,430)	(70,936)
Impairment due to casualty loss	—	4,195
FFO attributable to common stockholders	$ 284,587	$ 250,577
Average shares outstanding - diluted	137,383,044	133,175,773
Earnings per share - diluted	$ 1.73	$ 1.56
FFO per common share - diluted	$ 2.07	$ 1.88

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 12

A reconciliation of Core EBITDA and a calculation of Interest Coverage for the three months ended March 31, 2016 are as follows (dollars in thousands):

Net income attributable to common stockholders	$	237,931
Interest expense, net		43,410
Income tax expense		37
Depreciation expense		127,216
EBITDA	$	408,594
NOI from real estate assets sold or held for sale		(721)
Gain on sale of communities		(51,430)
EBITDA after disposition activity	$	356,443
Joint venture income		(27,969)
Casualty and impairment (gain) loss, net		(2,202)
Lost NOI from casualty losses		1,870
Business interruption insurance proceeds		(20,334)
Other non-core adjustments (1)		3,735
Core EBITDA	$	311,543
Interest expense, net	$	43,410
Interest Coverage		7.2 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 first quarter 2016 Core EBITDA, as adjusted. For a calculation of Core EBITDA, see "Interest Coverage" above.

Total debt principal (1)	$	6,528,834
Cash and cash in escrow		(267,902)
Net debt	$	6,260,932
Core EBITDA	$	311,543
Core EBITDA, annualized	$	1,246,172
Net Debt-to-Core EBITDA		5.0 times

(1) Balance at March 31, 2016 excludes $7,310 of debt discount and $20,836 of deferred financing costs as reflected in unsecured notes, net, and $16,652 of debt premium and $14,760 of deferred financing costs 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 12

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 of recoveries, interest expense, net, loss on extinguishment of debt, net, general and administrative expense, joint venture income, depreciation expense, casualty and impairment (gain) loss, net gain on sale of real estate assets, 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):

	Q1 2016	Q1 2015	Q4 2015
Net income	$ 237,877	$ 208,053	$ 155,352
Indirect operating expenses, net of corporate income	16,537	15,399	13,332
Investments and investment management expense	1,145	1,034	1,096
Expensed acquisition, development and other pursuit costs, net of recoveries	3,462	1,187	1,570
Interest expense, net	43,410	45,573	42,217
General and administrative expense	11,404	10,468	11,508
Joint venture income	(27,969)	(34,566)	(1,093)
Depreciation expense	127,216	116,853	122,259
Income tax expense	37	15	135
Casualty and impairment (gain) loss, net	(2,202)	5,788	125
Gain on sale of real estate assets	(51,430)	(70,958)	(9,474)
NOI from real estate assets sold or held for sale (1)	(721)	(3,219)	(1,896)
NOI	$ 358,766	$ 295,627	$ 335,131
Established:			
New England	$ 37,270	$ 32,145	$ 38,935
Metro NY/NJ	59,764	57,906	62,988
Mid-Atlantic	40,063	39,529	41,210
Pacific NW	15,745	14,750	15,502
No. California	60,248	54,025	59,354
So. California	51,041	46,473	49,227
Total Established	264,131	244,828	267,216
Other Stabilized (2)	59,308	24,865	34,040
Development/Redevelopment	35,327	25,934	33,875
NOI	$ 358,766	$ 295,627	$ 335,131

(1) Represents NOI from real estate assets sold or held for sale that are not otherwise classified as discontinued operations.

(2) NOI for Q1 2016 Other Stabilized Communities includes $20,306 of business interruption insurance proceeds.

Attachment 12

NOI as reported by the Company does not include the operating results from assets sold or classified as held for sale (i.e., assets sold or classified as held for sale at March 31, 2016 that are not otherwise classified as discontinued operations). A reconciliation of NOI from communities sold or classified as held for sale is as follows (dollars in thousands):

	Q1 2016	Q1 2015
Revenue from real estate assets sold or held for sale	$ 1,193	$ 5,398
Operating expenses from real estate assets sold or held for sale	(472)	(2,179)
NOI from real estate assets sold or held for sale	$ 721	$ 3,219

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, 2016 are completed consolidated communities that the Company owns, which did not have stabilized operations as of January 1, 2015, but have stabilized occupancy as of January 1, 2016. Other Stabilized Communities as of January 1, 2016 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 second quarter of 2016 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) - Q2 2016	$ 1.46	$ 1.52
Projected depreciation (real estate related)	0.97	1.01
Projected gain on sale of operating communities	(0.36)	(0.40)
Projected FFO per share (diluted) - Q2 2016	2.07	2.13
Gain on sale of land	(0.14)	(0.14)
JV costs, abandoned pursuits and acquisition costs	0.01	0.01
Lost NOI from casualty losses	0.01	0.01
Early extinguishment of consolidated borrowings	0.02	0.02
Projected Core FFO per share (diluted) - Q2 2016	$ 1.97	$ 2.03

Attachment 12

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.

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):

	Q1 2016	Q1 2015
Rental revenue (GAAP basis)	$ 374,823	$ 355,414
Concessions amortized	187	1,019
Concessions granted	(204)	(482)
Rental Revenue with Concessions on a Cash Basis	$ 374,806	$ 355,951
% change -- GAAP revenue		5.5%
% change -- cash revenue		5.3%

Attachment 12

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 outstanding secured debt as a percentage of total NOI generated by real estate assets. The Company believes that current and prospective unsecured creditors of the Company view Unencumbered NOI as one indication of the borrowing capacity of the Company. Therefore, when reviewed together with the Company's Interest Coverage, EBITDA and cash flow from operations, the Company believes that investors and creditors view Unencumbered NOI as a useful supplemental measure for determining the financial flexibility of an entity. A calculation of Unencumbered NOI for the three months ended March 31, 2016 is as follows (dollars in thousands):

	Quarter to Date NOI
NOI for Established Communities	$ 264,131
NOI for Other Stabilized Communities (1)	59,308
NOI for Development/Redevelopment Communities	35,327
NOI from real estate assets sold or held for sale	721
Total NOI generated by real estate assets	359,487
NOI on encumbered assets	72,435
NOI on unencumbered assets	$ 287,052
Unencumbered NOI	80%

(1) NOI for Q1 2016 Other Stabilized Communities includes $20,306 of business interruption insurance proceeds.

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.