

2025 ANNUAL REPORT

Dear AvalonBay Shareholders,

I want to begin by expressing my deep gratitude to our more than 3,000 associates. Their commitment to our culture – anchored in integrity, a spirit of caring, and continuous improvement – is evident in the services we provide our residents, in how associates support each other, and in the discipline with which we manage our business every day.

I turn first to our 2025 results, then to our 2026 outlook and the competitive strengths that position AvalonBay for differentiated growth in the years ahead.

2025: Resilient Operating Results and Investing for Future Growth

Our portfolio quality and positioning allowed us to deliver revenue and earnings growth in 2025 toward the top of the sector – achieving Same Store Residential Revenue growth of 2.5%, Same Store Residential NOI growth of 1.9%, and Core FFO per share growth of 2.1%. In a year of elevated macroeconomic uncertainty and below average job growth, we were focused on delivering for and retaining our existing customers. With that daily focus, our teams achieved a company record for Net Promoter Scores with residents, which directly contributed to record high resident retention.

We also made significant investments in future growth via two hallmarks of AvalonBay: our balance sheet strength and our industry-leading Development capabilities. Highlights of our capital sourcing and capital allocation in 2025 included:

- We sourced \$2.5 billion of capital at a 5.0% Weighted Average Initial Cost of Capital.¹
- We started \$1.65 billion of new Development – the second-largest start year in our history – at projected yields with a meaningful spread to both our cost of capital and underlying market cap rates.
 - Our regional Development teams surfaced a rich set of opportunities that, in addition to meeting our expected return requirements, will advance our portfolio allocation and product objectives.
 - Our construction teams drove favorable construction cost outcomes, leveraging our scale and purchasing power, to deliver high quality assets at an attractive investment cost basis.
- At year end, we had \$3.6 billion of Development Underway. We expect this pipeline to generate substantial earnings and value creation in the years ahead.
- We also chose to repurchase almost \$490 million of our stock in 2025, capitalizing on the divergence between public and private market apartment valuations. With this repurchase activity and normal course dividends of \$1.0 billion, we returned nearly \$1.5 billion to stockholders last year.

2026 and Our Strengths Looking Ahead

On February 4, 2026, we published our financial outlook for 2026, which assumed modest Same Store residential revenue growth of 1.4% and Core FFO per share growth of 0.1%.² This outlook reflects the continuation of a relatively soft demand environment for apartments, informed by limited

new job growth currently projected by economists in 2026. As the year progresses, we expect operating fundamentals in our markets to increasingly benefit from declining new supply. Our Established Regions are particularly well situated with expected deliveries of new supply equivalent to only 80 basis points of stock.

On the investment side, we have raised return targets for new Developments given the increase in our cost of capital, and expect to start \$800 million of new Development at projected Initial Stabilized Yields of 6.5–7.0% during the year.

While we expect growth to be modest this year, we are confident that our sector fundamentals, strategic capabilities and initiatives, and financial strength position us to deliver superior growth for shareholders in the years ahead. Let me walk you through what I believe positions AvalonBay well for our next phases of growth.

Structural forces support rental housing fundamentals. Forty-five million American households choose to rent their home—in apartments or other rental housing. Adults in the U.S. continue to marry later, resulting in many extending their timespans as renters. In our Established Regions, the cost advantage of renting versus owning a home exceeds \$2,000 per month. New apartment supply is at historically low levels and should remain low for the foreseeable future, particularly in our Established Regions given the entitlement and permitting constraints. These are durable, structural tailwinds.

Our operational transformation is delivering higher quality service for residents at a lower operational cost. The progress here is real and accelerating. With our scale and long-term ownership orientation, we continue to make significant investments – via our operating model transformation - to improve the resident experience and drive operational efficiencies. Our investments in technology, including AI, along with our centralized service capabilities, are offering digital and self-serve functionality that customers expect, in addition to the high-quality service that residents receive from our local teams. Furthermore, we expect to deliver an additional \$7 million of Incremental NOI from these operating initiatives this year, approaching ~70% of our long-term target of \$80 million of recurring, annual Incremental NOI from these initiatives.

Our unique Development platform is expected to generate outsized earnings and value creation. In the past two years, we started \$2.7 billion of new Development at projected Initial Stabilized Yields in the low-6% range, well above our initial cost of capital of ~5%. We ended 2025 with \$3.6 billion of Development Underway, representing over 10% of our Enterprise Value. We expect an earnings ramp from this pipeline: \$47 million of projected Development NOI in 2026, accelerating to \$75 million in 2027. These projects are already under construction, substantially match-funded, and conservatively underwritten based on un-trended rents. We expect this vintage of Development to deliver into one of the most favorable supply environments we have seen in years. As we pursue new Development, the competitive environment is in our favor. As merchant builders have pulled back—constrained by elevated capital costs—we are sourcing better land, better terms, and better anticipated returns.

We allocate capital with discipline across the full cycle. Our disciplined approach to capital allocation is a core part of how we create value for shareholders. When yields and basis on Development are attractive, we lean into new Development. When public market valuations diverge from private market pricing, as they did in 2025, we are positioned to also buy back our stock – effectively buying our existing portfolio at an attractive yield. When individual assets no longer meet growth expectations or fit our long-term portfolio objectives, we sell and redeploy capital into higher-returning opportunities. Our preeminent balance sheet provides us with the financial strength and flexibility to invest in growth when others cannot.

The platform we have built—diversified, disciplined, and financially strong—positions AvalonBay to perform across cycles and deliver differentiated growth over the long term. Thank you for your continued support and engagement.

Sincerely,

A handwritten signature in blue ink, appearing to read 'BS', is positioned above the printed name and title.

Benjamin W. Schall
Chief Executive Officer and President

NOTES

1. Capital sourced includes net proceeds from all equity and debt issuances, wholly-owned dispositions, and distributions from unconsolidated real estate entities. Weighted Average Initial Cost of Capital includes all equity and debt issuances (inclusive of the effect of interest rate hedges), and wholly-owned dispositions only.
2. Initial 2026 Core FFO per share growth, and Same Store Residential revenue outlooks provided on February 4th, 2026, based on the midpoints of the outlook ranges. For additional details on the Company's 2026 Outlook, please refer to the Company's Earnings Release Attachment 12 provided February 4th, 2026. Outlook speaks only as of the date cited and is not being updated or reconfirmed by this letter.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS USED IN THIS LETTER

Credit ratings, as provided in this report, may not reflect the potential impact of risks relating to the structure or trading of the Company's securities and are provided solely for informational purposes. Credit ratings are not recommendations to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. The Company does not undertake any obligation to maintain the ratings or to advise of any change in ratings. Each agency's rating should be evaluated independently of any other agency's rating. An explanation of the significance of the ratings may be obtained from each of the rating agencies.

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

Development Underway refers to the Company's twenty-four Development communities under construction as of December 31, 2025, together with two Development completions, during the fourth quarter of 2025, which in aggregate represent \$3.6B of projected Total Capital Costs across 26 Communities and 9,184 homes. For additional details, please refer to attachment nine of the Company's earnings supplemental dated February 4th, 2026.

Enterprise Value represents the aggregate of the market value of a company's common stock and the outstanding principal balance of a company's debt. A calculation of the Company's Total Enterprise Value is as follows (dollars in thousands):

	As of December 31, 2025	
Common stock	\$	25,590,212
Total debt		9,388,152
Total Enterprise Value	\$	34,978,364

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

FFO and Core FFO are generally considered by management to be appropriate supplemental measures of our operating and financial performance. FFO is calculated by the Company in accordance with the definition adopted by Nareit. FFO is calculated by the Company as Net income or loss attributable to common stockholders computed in accordance with GAAP, adjusted for gains or losses on sales of previously depreciated operating communities, cumulative effect of a change in accounting principle, impairment write-downs of depreciable real estate assets, write-downs of investments in affiliates due to a decrease in the value of depreciable real estate assets held by those affiliates and depreciation of real estate assets, including similar adjustments for unconsolidated partnerships and joint ventures, including those from a change in control. FFO can help one compare the operating and financial performance of a real estate company between periods or as compared to different companies because adjustments such as (i) gains or losses on sales of previously depreciated property or (ii) real estate depreciation may impact comparability between companies as the amount and timing of these or similar items can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates. Core FFO is the Company's FFO as adjusted for non-core items outlined in the table below. By further adjusting for items that we do not consider to be part of our core business operations, Core FFO can help with the comparison of core operating performance of the Company between periods. A reconciliation of Net income attributable to common stockholders to FFO and to Core FFO is as follows (dollars in thousands):

	Q4 2025	Q4 2024	Full Year 2025	Full Year 2024
Net income attributable to common stockholders	\$ 164,733	\$ 282,092	\$ 1,051,301	\$ 1,081,994
Depreciation - real estate assets, including joint venture adjustments	230,848	214,547	905,701	843,224
Income attributable to noncontrolling interests	1,252	—	5,298	—
Loss (gain) on sale of previously depreciated real estate, net	368	(121,841)	(335,713)	(363,300)
Casualty loss on real estate	418	—	1,276	2,935
FFO	397,619	374,798	1,627,863	1,564,853
Adjusting items:				
Unconsolidated entity losses (gains), net (1)	658	1,686	(39,227)	(33,137)
Structured Investment Program loan reserve (2)	(310)	(286)	(304)	(1,057)
Hedge accounting activity	—	(19)	24	61
Advocacy contributions	350	13,242	587	19,156
Executive transition compensation costs	—	—	—	304
Severance related costs	551	(192)	1,504	1,787
Expensed transaction, development and other pursuit costs, net of recoveries (3)	1,162	9,792	6,960	13,649
Other real estate activity (4)	(212)	(95)	(4,086)	(669)
Legal settlements and costs	4,563	713	13,391	3,002
Income tax (benefit) expense	(295)	(253)	(1,135)	445
Core FFO	\$ 404,086	\$ 399,386	\$ 1,605,577	\$ 1,568,394
Weighted average common shares outstanding - diluted	141,991,262	142,705,114	142,826,382	142,458,604
Earnings per common share - diluted	\$ 1.17	\$ 1.98	\$ 7.40	\$ 7.60
FFO per common share - diluted	\$ 2.80	\$ 2.63	\$ 11.40	\$ 10.98
Core FFO per common share - diluted	\$ 2.85	\$ 2.80	\$ 11.24	\$ 11.01

- (1) Amounts consist primarily of net unrealized losses (gains) on property technology and sustainability fund investments.
- (2) Represents changes to the loan loss reserve associated with the Company's lending commitments primarily under its Structured Investment Program. The timing and amount of any actual losses that will be incurred, if any, is to be determined.
- (3) Amounts for 2025 and 2024 include a write-off of \$3,668 and \$8,947, respectively, for one development opportunity in each year that the Company determined is no longer probable.

- (4) Amounts for Q4 and Full Year 2025 include gains on sale of non-operating real estate and Full Year 2025 includes a gain on the sale of a development right. Amounts for Q4 and Full Year 2024 consist primarily of gains on sale of non-operating real estate, as well as the imputed carry cost of for-sale residential condominiums at The Park Loggia. We compute this adjustment by multiplying the total capitalized cost of the unsold for-sale residential condominiums by our weighted average unsecured debt effective interest rate.

Incremental NOI represents additional NOI that was not achieved in the prior period before the implementation of the initiatives and that is attributable, in future periods, to the implementation of the initiatives.

Initial Stabilized Yield represents NOI as a percentage of Total Capital Cost for the first 12 months after Stabilized Operations and is weighted based on the Total Capital Cost of each community.

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

Projected FFO and Projected Core FFO, as provided within this report 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 first quarter and full year 2026 to the ranges provided for projected EPS (diluted) and corresponding reconciliation of the ranges for Projected FFO per share to the ranges for Projected Core FFO per share are as follows:

	Low Range	High Range
Projected EPS (diluted) - Q1 2026	\$ 2.35	\$ 2.45
Depreciation (real estate related)	1.62	1.62
Gain on sale of communities, net	(1.28)	(1.28)
Projected FFO per share (diluted) - Q1 2026	\$ 2.69	\$ 2.79
Unconsolidated entity losses, net	0.01	0.01
Expensed transaction, development and other pursuit costs, net of recoveries	0.01	0.01
Legal settlements and costs	0.01	0.01
Severance related costs	0.01	0.01
Projected Core FFO per share (diluted) - Q1 2026	\$ 2.73	\$ 2.83
Projected EPS (diluted) - Full Year 2026	\$ 6.33	\$ 6.83
Depreciation (real estate related)	6.65	6.65
Gain on sale of communities, net	(2.18)	(2.18)
Projected FFO per share (diluted) - Full Year 2026	\$ 10.80	\$ 11.30
Unconsolidated entity gains, net	0.03	0.03
Structured Investment Program loan reserve	0.01	0.01
Severance related costs	0.01	0.01
Expensed transaction, development and other pursuit costs, net of recoveries	0.04	0.04
Legal settlements and costs	0.10	0.10
Other	0.01	0.01
Projected Core FFO per share (diluted) - Full Year 2026	\$ 11.00	\$ 11.50

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

Redevelopment is composed of consolidated communities where substantial redevelopment is in progress or is probable to begin during the current year. Redevelopment is considered substantial when (i) capital invested during the reconstruction effort is expected to exceed the lesser of \$5,000,000 or 10% of the community's pre-redevelopment basis and (ii) physical occupancy is below or is expected to be below 90% during or as a result of the redevelopment activity.

Same Store is composed of consolidated communities where a comparison of operating results from the prior year to the current year is meaningful as these communities were owned and had Stabilized Operations, as defined below, as of the beginning of the respective prior year period. Therefore, for 2025 operating results, Same Store is composed of consolidated communities that have Stabilized Operations as of January 1, 2024, are not conducting or are not probable to conduct substantial redevelopment activities and are not held for sale or probable for disposition within the current year.

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

Suburban locations are defined as submarkets having less than 3,500 households per square mile.

Total Capital Cost includes all capitalized costs projected to be or actually incurred to develop the respective Development or Redevelopment community, including land acquisition costs, construction costs, real estate taxes, capitalized interest and loan fees, permits, professional fees, allocated development overhead and other regulatory fees and a contingency estimate, offset by proceeds from the sale of any associated land or improvements, all as determined in accordance with GAAP. Total

Capital Cost also includes costs incurred related to first generation commercial tenants, such as tenant improvements and leasing commissions. For Redevelopment communities, Total Capital Cost excludes costs incurred prior to the start of redevelopment when indicated. With respect to communities where development or redevelopment was completed in a prior period 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.

Weighted Average Initial Cost of Capital includes all equity and debt (inclusive of the effect of interest rate hedges) issuances, and wholly-owned dispositions only. Capital sourced includes net proceeds from all equity and debt issuances, wholly-owned dispositions, and distributions from unconsolidated real estate entities.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

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

For the fiscal year ended December 31, 2025
OR

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

For the transition period from _____ to _____

Commission File Number: 1-12672
AVALONBAY COMMUNITIES, INC.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

77-0404318
(I.R.S. Employer
Identification No.)

4040 Wilson Blvd., Suite 1000
Arlington, Virginia 22203
(Address of principal executive offices) (Zip code)

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

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol (s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	AVB	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

The aggregate market value of the registrant's Common Stock, par value \$0.01 per share, held by nonaffiliates of the registrant, as of June 30, 2025 was \$28,875,214,928.

The number of shares of the registrant's Common Stock, par value \$0.01 per share, outstanding as of January 30, 2026 was 140,083,473.

Documents Incorporated by Reference

Portions of AvalonBay Communities, Inc.'s Proxy Statement for the 2026 annual meeting of stockholders, a definitive copy of which will be filed with the Securities and Exchange Commission within 120 days after the year end of the year covered by this Form 10-K, are incorporated by reference herein as portions of Part III of this Form 10-K.

TABLE OF CONTENTS

	<u>PAGE</u>
PART I	
ITEM 1. BUSINESS	1
ITEM 1A. RISK FACTORS	8
ITEM 1B. UNRESOLVED STAFF COMMENTS	20
ITEM 1C. CYBERSECURITY	20
ITEM 2. PROPERTIES	22
ITEM 3. LEGAL PROCEEDINGS	33
ITEM 4. MINE SAFETY DISCLOSURES	33
PART II	
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	34
ITEM 6. [RESERVED]	35
ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	36
ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	56
ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	56
ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	57
ITEM 9A. CONTROLS AND PROCEDURES	57
ITEM 9B. OTHER INFORMATION	57
ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS	57
PART III	
ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	58
ITEM 11. EXECUTIVE COMPENSATION	58
ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	58
ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	59
ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES	59
PART IV	
ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES	60
ITEM 16. FORM 10-K SUMMARY	60
SIGNATURES	65

PART I

This Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Our actual results could differ materially from those set forth in each forward-looking statement. Certain factors that might cause such a difference are discussed in this report, including in the section entitled "Forward-Looking Statements" included in this Form 10-K. You should also review Item 1A. "Risk Factors" for a discussion of various risks that could adversely affect us.

ITEM 1. BUSINESS

General

AvalonBay Communities, Inc. (the "Company," "we," "our" and "us" which terms, unless the context otherwise requires, refer to AvalonBay Communities, Inc. together with its subsidiaries), is a Maryland corporation that has elected to be treated as a real estate investment trust ("REIT") for federal income tax purposes. We develop, redevelop, acquire, own and operate apartment communities in New England, the New York/New Jersey metro area, the Mid-Atlantic, the Pacific Northwest, and Northern and Southern California, as well as in our expansion regions of Raleigh-Durham and Charlotte, North Carolina, Southeast Florida, Dallas and Austin, Texas, and Denver, Colorado. We use the term apartment communities to refer to properties that consist of apartment homes or townhomes or a combination of both. We focus on leading metropolitan areas that we believe have offered, and will continue to offer, the opportunity for superior risk-adjusted returns over the long-term on apartment community investments relative to other markets.

At January 31, 2026, we owned or held a direct or indirect ownership interest in:

- 292 operating apartment communities containing 88,768 apartment homes in 11 states and the District of Columbia, of which 284 communities containing 86,374 apartment homes were consolidated for financial reporting purposes and eight communities containing 2,394 apartment homes were held by unconsolidated entities in which we hold an ownership interest.
- 27 wholly-owned development apartment communities that are under construction or completed and in lease-up and are expected to contain an aggregate of 9,692 apartment homes when completed.
- Rights to develop an additional 33 communities that, if developed as expected, will contain 10,532 apartment homes.

We generally obtain ownership in an apartment community by developing a new community on either vacant land or land with improvements that we raze, or by acquiring an existing community. In selecting sites for development or acquisition, we favor locations that are near expanding employment centers and convenient to transportation, recreation areas, entertainment, shopping and dining.

Our principal financial goal is to increase long-term shareholder value through the development, redevelopment, acquisition, ownership, operation and asset management and, when appropriate, disposition of apartment communities in our markets. To help meet this goal, we regularly (i) monitor our investment allocation by geographic market and product type, (ii) develop, redevelop and acquire interests in apartment communities in our selected markets, (iii) efficiently operate our communities to maximize resident satisfaction and shareholder return, (iv) selectively sell apartment communities that no longer meet our long-term strategy or when opportunities are presented to realize a portion of the value created through our investment and redeploy the proceeds from those sales and (v) maintain a capital structure that we believe is aligned with our business risks and allows us to maintain continuous access to cost-effective capital. We also seek to generate additional shareholder value from investments in other real estate-related ventures, including through our Structured Investment Program ("SIP"), our platform to provide mezzanine loans or preferred equity to third-party apartment community developers in our existing regions. We undertake our development and redevelopment activities primarily through in-house development and redevelopment teams, and we buy and dispose of assets through our in-house investments platform. We believe that our organizational structure, which includes dedicated development and operational teams, and strong culture are key differentiators. We pursue our development, redevelopment, investment and operating activities with the purpose of "Creating a Better Way to Live."

We seek to be the leading rental housing company in select U.S. markets by delivering distinctive experiences that customers value, creating a workplace where associates thrive, and achieving superior results for shareholders. We focus on markets that we believe are generally characterized by growing employment in high wage sectors of the economy, higher cost of home ownership, and a diverse and vibrant quality of life. From an operating perspective, we seek to deliver seamless, personalized experiences for our residents on an efficient and effective basis by our resident-focused on-site associates that are supported by our centralized shared services operating organization and flexible technology platform that incorporates automation and artificial intelligence ("AI"). We operate our apartment communities under four core brands:

- Avalon, our core "Avalon" brand, focuses on upscale apartment living and high end amenities and services;
- AVA targets customers in high-energy, transit-served neighborhoods and generally feature smaller apartments, many of which are designed for roommate living, and a variety of active common spaces that encourage socialization;
- eaves by Avalon is targeted to the cost conscious, "value" segment primarily in suburban areas; and
- Kanso is designed to create an apartment living experience that offers simplicity without sacrifice at a more moderate price point, featuring high-quality apartment homes, limited-to-no community amenities and a low-touch, largely self-service operating model that leverages technology and smart access.

We believe that this branding differentiation allows us to target our product offerings to multiple customer groups and submarkets within our existing geographic footprint.

During the three years ended December 31, 2025, we:

- acquired 22 apartment communities, excluding unconsolidated investments;
- disposed of 21 apartment communities, excluding unconsolidated investments; and
- completed the development of 20 apartment communities, including unconsolidated investments, and the redevelopment of one apartment community.

A more detailed description of our unconsolidated real estate entities and the related investment activity can be found in Note 5, "Investments," of the Consolidated Financial Statements in Item 8 of this report and in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations."

A further discussion of our development, redevelopment, disposition, acquisition, operating and property management and related strategies follows.

Development Strategy. We select land for development and follow established procedures that we believe minimize both the cost and the risks of development. As one of the largest developers of multifamily rental apartment communities in our selected markets, we maintain regional offices to identify and support development opportunities through local market presence and access to local market information. In addition to our principal executive office in Arlington, Virginia, we also have regional offices, administrative offices or specialty offices, all of which are located in the United States.

After selecting a site for development, we usually negotiate for the right to acquire the site either through an option or a long-term conditional contract. Options and long-term conditional contracts generally allow us to acquire an interest in the site after the completion of entitlements and shortly before the start of construction, which reduces development-related risks and preserves capital. However, as a result of competitive market conditions for land suitable for development, we have sometimes acquired and held land prior to construction for extended periods while entitlements are obtained. When acquiring improved land with existing commercial uses prior to development, any rent received in excess of expenses from these operations, which we consider to be incidental, is accounted for as a reduction in our investment in the development pursuit and not as net income. Any expenses relating to these operations, in excess of any rents received, are recognized in net income. In addition, we have previously identified, and may again in the future identify, opportunities to increase value by expanding the density of certain existing operating communities. We have also participated, and may in the future participate, in master planned or other large multi-use developments where we commit to build infrastructure (such as roads) to be used by other participants or commit to act as construction manager or general contractor in building structures or spaces for third parties (such as unimproved ground floor commercial space, municipal garages or parks). Costs we incur in connection with these activities may be accounted for as additional invested capital in the community or we may earn fee income for providing these services. Particularly with large scale, urban in-fill developments, we may engage in significant environmental remediation efforts to prepare a site for construction. For further discussion of our Development Rights, refer to Item 2. "Properties" in this report.

We generally act as our own development manager, general contractor and construction manager directly (although we may use a wholly-owned subsidiary), and will elect to use a third-party developer or general contractor where we believe it is beneficial to do so, such as in our expansion regions where we may have limited resources or scale. Certain communities are developed through our DFP, which utilizes third-party multifamily developers to source and construct communities which we own and operate. We believe direct involvement in construction enables us to achieve higher construction quality, greater control over construction schedules and cost savings. Our development, property management and construction teams monitor construction progress to ensure quality workmanship and a smooth and timely transition into the leasing and operating phase.

Throughout this report, the term "development" is used to refer to the entire property development cycle, including pursuit of zoning approvals, procurement of architectural and engineering designs and the construction process. References to "construction" refer to the actual construction of the property, which is only one element of the development cycle.

Redevelopment Strategy. When we undertake the redevelopment of a community, our goal is to renovate and/or rebuild an existing community so that our total investment is generally below replacement cost and the community is well positioned in the market to achieve attractive returns on our capital. In addition to large scale redevelopment where a community is classified as a redevelopment, we undertake smaller scale redevelopment activities related to the apartment interiors to enhance the resident experience at our operating communities. We have dedicated redevelopment teams and procedures that are intended to control both the cost and risks of redevelopment. Our redevelopment teams, which include redevelopment, construction and property management personnel, monitor redevelopment progress.

Throughout this report, the term "redevelopment" is used to refer to the entire redevelopment cycle, including planning and procurement of architectural and engineering designs, budgeting and actual renovation work. The actual renovation work is referred to as "reconstruction," which is only one element of the redevelopment cycle.

Disposition Strategy. We sell assets that no longer meet our long-term strategy or when real estate market conditions are favorable, and we redeploy the proceeds from those sales to develop, redevelop and acquire communities and to rebalance our portfolio across or within geographic regions. This also allows us to realize a portion of the value created through our investments and provides additional liquidity by redeploying the net proceeds from our dispositions in lieu of raising that amount of capital externally. When we decide to sell a community, we generally solicit competing bids from unrelated parties for these individual assets and consider the sales price and other terms of each proposal.

Acquisition Strategy. Our core competencies in development and redevelopment discussed above allow us to be selective in the acquisitions we target. Acquisitions allow us to achieve rapid penetration into markets in which we desire an increased presence. Acquisitions (and dispositions) also help us achieve our desired product mix or rebalance our portfolio. While we are primarily focused on acquisitions in our expansion regions of Raleigh-Durham and Charlotte, North Carolina, Southeast Florida, Dallas and Austin, Texas, and Denver, Colorado, we may pursue additional investments in our established regions based on market conditions.

Operating & Property Management Strategy. We seek to increase operating income through innovative, proactive property management that will result in higher revenue from communities while constraining operating expenses. Our principal strategies to maximize operating income include:

- focusing on associate engagement and resident satisfaction;
- employing an innovative and continually evolving operating model that combines effective onsite associates with the capabilities of our centralized shared services center, technology platform and digital offerings and various automation technologies, including the use of AI;
- utilizing data science and our operating experience to optimize Net Operating Income ("NOI") from the portfolio, including making operating decisions that reduce customer acquisition, transaction and retention costs;
- staggering lease terms such that lease expirations are matched with seasonal demand; and
- delivering high occupancy with premium pricing for various customer segments.

Constraining growth in operating expenses is another way in which we seek to increase earnings growth. Growth in our portfolio and the resulting increase in revenue allows for fixed operating costs to be spread over a larger volume of revenue, thereby increasing operating margins. We constrain growth in operating expenses in a variety of ways, which include, but are not limited to, the following:

- purchase order controls, including acquiring goods and services from pre-approved vendors;
- national negotiated contracts and bulk purchases where possible;
- bidding third-party contracts on a volume basis;

- retaining residents through high levels of service, which reduces apartment turnover costs, marketing and vacant apartment utility costs;
- performing turnover work in-house or hiring third parties, generally considering the most cost-effective approach as well as expertise needed to perform the work;
- regular preventive maintenance to maximize resident safety and satisfaction and property and equipment life;
- centralization of lease renewal activity, as well as many community administration and support tasks at our shared service center;
- pursuing real estate tax appeals;
- installing high efficiency lighting and water fixtures, cogeneration systems and solar panels; and
- implementing technology for resident and prospect services such as smart locks, package lockers, bulk internet and self-guided or virtual tours.

On-site property management teams receive bonuses based largely upon the revenue, expense, NOI, prospect conversion, resident retention and customer service metrics produced at their respective communities. We use and continuously seek ways to improve technology applications to help manage our communities, believing that such tools can improve the delivery and efficiency of our services and aid in the accurate collection of financial and resident data, which will enable us to maximize revenue and control costs through careful leasing decisions, maintenance decisions and financial management.

We generally manage the operation and leasing activity of our communities directly (although we may use a wholly-owned subsidiary) both for ourselves and the joint ventures and partnerships of which we are a member or a partner. From time to time, we may engage a third party to manage leasing and/or maintenance activity at one or more of our communities, such as in our expansion regions where we may have limited resources or scale.

From time to time we also pursue or arrange ancillary services for our residents to provide additional revenue sources or increase resident satisfaction. We provide such non-customary services to residents or share in the revenue or income from such services through a taxable REIT subsidiary ("TRS"), which is a subsidiary that is treated as a "C corporation" subject to federal income taxes. See "Tax Matters" below.

Financing Strategy. Our financing strategy is to maintain a capital structure that provides financial flexibility to help ensure we can select cost-effective capital market options that are well matched to our business risks. We estimate that our short-term liquidity needs will be met from cash on hand; borrowings under our \$2,500,000,000 revolving variable rate unsecured credit facility (the "Credit Facility"); borrowings under our \$1,000,000,000 unsecured commercial paper note program (the "Commercial Paper Program"), which is backstopped by our commitment to maintain available capacity under the Credit Facility for any amounts of commercial paper notes outstanding; sales of current operating communities; and/or issuance of additional debt or equity securities. A determination to engage in an equity or debt offering depends on a variety of factors such as general market and economic conditions, our short and long-term liquidity needs, the relative costs of debt and equity capital and growth opportunities. A summary of debt and equity activity for the last three years is reflected on our Consolidated Statement of Cash Flows of the Consolidated Financial Statements set forth in Item 8 of this report.

We have entered into, and may continue in the future to enter into, joint ventures (including limited liability companies or partnerships) through which we would develop and/or own an indirect economic interest of less than 100% of the community or communities owned directly by such joint ventures. Our decision to either hold an apartment community in fee simple or to have an indirect interest in the community through a joint venture is based on a variety of factors and considerations, including: (i) the economic and tax terms required by a seller of land or of a community; (ii) our desire to diversify our portfolio of communities by market, submarket and product type; (iii) our desire at times to preserve our capital resources to maintain liquidity or balance sheet strength; and (iv) our projection, in some circumstances, that we will achieve higher returns on our invested capital or reduce our risk if a joint venture vehicle is used. Investments in joint ventures are not limited to a specified percentage of our assets. Each joint venture agreement is individually negotiated, and our ability to operate and/or dispose of a community in our sole discretion may be limited to varying degrees depending on the terms of the joint venture agreement.

In addition, from time to time, we may offer shares of our equity securities, debt securities or options to purchase stock in exchange for property. We may also acquire properties in exchange for properties we currently own.

Other Strategies and Activities. While we emphasize equity real estate investments in rental apartment communities, we have the ability to invest in other activities and to make non-equity investments, including the following:

- Structured Investment Program: while we generally invest in multifamily real estate through fee simple ownership or an equity investment in a joint venture, we operate an investment platform through which we provide mezzanine loans or preferred equity to third-party multifamily developers in our existing regions.

- Commercial space: we develop, own and lease commercial space at our communities when either (i) the highest and best use of the space is for commercial (e.g., street level in an urban area); (ii) we believe the commercial space will enhance the attractiveness of the community to residents; or (iii) some component of commercial space is required to obtain entitlements to build apartment homes.
- Third-party property technology and sustainability focused companies and investment management funds: we have also invested, either through a wholly-owned TRS, or in an investment vehicle that has elected to be treated as a TRS, in companies (and in venture funds that invest in companies) that provide technology services to the real estate industry, and we have invested, through a TRS, in environmentally focused companies and investment management funds to further our sustainability efforts and learning.
- For-sale real estate development: we may also develop a property in conjunction with another real estate company that will own and operate the commercial or for-sale residential components of a mixed-use building or project that we help develop. We may from time to time, through a TRS, develop real estate and hold it for sale upon completion if we believe that this will be the best use or disposition opportunity for the property.

We have not engaged in trading, underwriting or agency distribution or sale of securities of other issuers and do not intend to do so. At all times we intend to make investments in a manner so as to qualify as a REIT unless, because of circumstances or changes to the Internal Revenue Code of 1986, as amended (the "Code") (or the Treasury Regulations thereunder), our Board of Directors determines that it is no longer in our best interest to qualify as a REIT.

We conduct many of the administrative functions associated with our property operations (including billing, collections, and response to resident inquiries) through an internally operated shared services center, rather than having on-site associates conduct such activities. We believe this centralized platform allows our on-site associates to focus more on current and prospective resident services, while at the same time enabling us to reduce costs, mitigate risk and increase our availability and responsiveness to our residents. Since mid-2023, we have provided various back-office, financial administrative support services for a third party leveraging the economies of scale at our center to produce an additional revenue stream.

Tax Matters

We filed an election with our 1994 federal income tax return to be taxed as a REIT under the Code and intend to maintain our qualification as a REIT in the future. As a REIT, with limited exceptions, such as those described under "Operating & Property Management Strategy" above, we will not be taxed under federal and certain state income tax laws at the corporate level on our taxable net income to the extent such taxable net income is distributed to our stockholders. We expect to make sufficient distributions to avoid income tax at the corporate level. While we believe that we are organized and qualified as a REIT and we intend to operate in a manner that will allow us to continue to qualify as a REIT, there can be no assurance that we will be successful in this regard. Qualification as a REIT involves the application of highly technical and complex provisions of the Code for which there are limited judicial and administrative interpretations and involves the determination of a variety of factual matters and circumstances not entirely within our control.

Competition

We face competition from other real estate investors, including insurance companies, pension and investment funds, private equity, sovereign wealth funds and REITs (both in the multifamily as well as other sectors), to acquire and develop apartment communities and acquire land for future development. As an owner and operator of apartment communities, we also face competition for prospective residents from other operators whose communities may be perceived to offer a better location or better amenities or whose pricing may be perceived as a better value given the quality, location, terms and amenities that the prospective resident seeks. We also compete against other housing options such as single-family homes that are for sale or rent. Although we often compete against large, sophisticated developers and operators for development opportunities and for prospective residents, real estate developers and operators of any size can provide effective competition for both real estate assets and potential residents.

Regulatory Matters

Compliance with various governmental regulations has an impact on our business, including our capital expenditures, earnings and competitive position, which can be material. We incur costs to monitor and take actions to comply with governmental regulations that are applicable to our business, which include, among others, federal securities laws and regulations, applicable stock exchange requirements, REIT and other tax laws and regulations, antitrust laws, privacy laws, environmental and health and safety laws and regulations, local zoning, usage and other regulations relating to real property, the Americans with Disabilities Act of 1990 and related laws and regulations, and laws and regulations relating to tenant rights and consumer protections.

Environmental Regulations. As a current or prior owner, operator and developer of real estate, we are subject to various federal, state and local environmental laws, regulations and ordinances that govern, among other things, the presence, handling, storage, disposal and remediation of hazardous or toxic substances, and we also could be liable to third parties resulting from environmental contamination or noncompliance at our communities. Under certain environmental laws, such liability may be imposed without regard to fault or knowledge of the contamination. For some Development Communities, we undertake extensive environmental remediation to prepare the site for construction, which could be a significant portion of our total construction cost. Environmental remediation efforts could expose us to possible liabilities for accidents or improper handling of contaminated materials during construction.

Regulations Relating to the Construction, Operation and Leasing of Our Communities. The construction, operation and leasing of our communities is subject to federal, state and local laws and regulations, including zoning laws, building codes, requirements that our communities be accessible to persons with disabilities, fair housing laws, and, depending on the jurisdiction, regulations regarding the charging of rents and fees and increases in such amounts upon renewal of leases. Some laws relating to the setting of rents apply broadly, such as in California, where residential rent increases at renewal in communities older than fifteen years are limited to the lesser of 10% or 5% plus local consumer price index ("CPI"), the State of Washington, which has similar rules limiting rent increases to the lesser of 10% or 7% plus local CPI for communities older than 12 years, and in New York, where laws regulate increases on those units that are subject to rent-control or rent-stabilization. In California, the Governor and local governments have the ability to enact (and have in recent years exercised such right, for example, in connection with wildfires) local or statewide states of emergency which limit our ability to increase new and renewal rents to no more than 10% over the rent in place on the date such state of emergency was declared, which has impacted some of our California communities. We have seen an increase in state and local governments in our markets implementing, considering or being urged by various constituencies to consider new or modified rent control regulations, rent stabilization, or other laws that may limit or delay our ability to charge market rents, increase rents, screen tenants, use algorithmic pricing tools, charge non-rent fees, or evict tenants.

See Part I, Item 1A. "Risk Factors" for a discussion of material risks to us, including, to the extent material, to our competitive position and relating to governmental and environmental regulations, and see Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations," together with the Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements included elsewhere in this report, for a discussion of material information relevant to an assessment of our financial condition and results of operations.

Human Capital

Attracting, motivating, developing, and retaining talented associates is important to our long-term success. We engage with our associates to understand our purpose, "Creating a Better Way to Live," our core values and our cultural norms.

At January 31, 2026, we had 3,041 employees, of which approximately 99% were employed on a full-time basis. Approximately 61% of our associates work on-site at our operating communities. None of our associates are represented by a union. At January 31, 2026, 36% of our associates self-identified as White, 30% as Hispanic, 17% as Black, 7% as Asian, and 10% as other ethnicities, two or more ethnicities or did not respond. At January 31, 2026, 60% of our associates self-identified as male and 40% as female.

Associate Engagement. We monitor the engagement of our associates, receive feedback from our associates, and benchmark our performance by having a third party firm conduct anonymous associate perspective surveys. The results are discussed and presented both on a company-wide basis and within each functional group.

Safety. We take workplace safety seriously at our construction sites, our operating communities and our offices. Through our Construction Site Safety Observation program and our dedicated safety team, we monitor project-level safety performance metrics at our construction sites, and elements of compensation for our construction group and our CEO are based on safety

compliance performance. Our maintenance associates are required to take monthly safety training on a variety of subjects, and our risk management group monitors incident reports from our offices and communities.

Training. To help our associates develop the skills they need to advance in their careers and succeed at AvalonBay, we train them in a variety of ways, including providing job aids and quick reference guides, web-based courses and videos, in-person and virtual, instructor-led training and on-the-job learning. Our learning management system, Workday Learning, offers approximately 700 courses providing functional, technical, management, ethics, compliance, cyber-awareness and safety training.

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). You may obtain copies of our SEC filings, free of charge, from the SEC's website at www.sec.gov.

We maintain a website at www.avalonbay.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, including exhibits and amendments to those reports, filed or furnished pursuant to the Exchange Act are available free of charge in the "Investor Relations" section of our website as soon as reasonably practicable after the reports are filed with or furnished to the SEC. In addition, the charters of our Board's Nominating, Governance and Corporate Responsibility Committee, Audit Committee and Compensation Committee, as well as our Director Independence Standards, Corporate Governance Guidelines, Code of Business Conduct and Ethics, Policy Regarding Shareholder Rights Agreements, Policy Regarding Shareholder Approval of Future Severance Agreements, Senior Officer Stock Ownership Guidelines, Policy on Political Contributions and Government Relations, Compensation Recovery Policy, Insider Trading Policy, AvalonBay Sanctions Compliance and Anti-Corruption Policy and Corporate Responsibility Reports, are available free of charge in that section of our website or by writing to AvalonBay Communities, Inc., 4040 Wilson Blvd., Suite 1000, Arlington, Virginia 22203, Attention: Chief Financial Officer. To the extent required by the rules of the SEC and the New York Stock Exchange (the "NYSE"), we will disclose amendments and waivers to the Code of Business Conduct and Ethics, and to the other documents as required by those documents and applicable laws, in the same place on our website. The information posted on our website is not incorporated into this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

Our operations involve various risks that could have adverse consequences, including those described below. This Item 1A. includes forward-looking statements. You should refer to our discussion of the qualifications and limitations on forward-looking statements in this Form 10-K.

Risks related to investments through acquisitions, construction, development, and joint ventures

Development, redevelopment and construction risks could affect our profitability. We intend to continue to develop and redevelop apartment communities which include apartment homes or townhomes or a combination of both. These activities can include long planning and entitlement timelines and can involve complex and costly activities, including significant environmental remediation or construction work in high-density urban areas. These activities may expose us to the following risks, among others:

- we have abandoned, and may in the future abandon, opportunities that we have already begun to explore for a number of reasons, including changes in local market conditions or increases in construction or financing costs or we may impair land held for development, and as a result, we may fail to recover expenses already incurred in exploring those opportunities;
- occupancy rates and rents at a community may fail to meet our original expectations for a number of reasons, including changes in market and economic conditions beyond our control and the development by competitors of competing communities;
- we may be unable to obtain, or experience delays in obtaining, necessary zoning, occupancy or other required governmental or third party permits and authorizations, which could result in increased costs, or the delay or abandonment of opportunities;
- we may incur costs that exceed our original estimates due to increased material, labor or other costs or supply chain disruptions, including as a result of tariffs or changes in immigration laws or their enforcement, which could impact our overall return from our development, redevelopment or construction activity;
- we may be unable to complete construction of a community on schedule or for the originally projected cost resulting in increased construction and financing costs;
- we may incur liabilities to third parties during the development process, for example, in connection with managing existing improvements on the site prior to tenant terminations and demolition (such as commercial space) or in connection with providing services to third parties (such as the construction of shared infrastructure or other improvements);
- third-party developers, subcontractors, or key suppliers may fail to perform (including due to financial distress, labor shortages or supply chain disruptions), which could result in delays, cost overruns, workmanship defects, litigation, or the inability to complete a community on schedule or on the budget we originally projected; and
- we may incur liability if our communities are not constructed in compliance with the accessibility provisions of the Americans with Disabilities Act, the Fair Housing Act or other federal, state or local requirements. Noncompliance could result in imposition of fines, an award of damages to private litigants and a requirement that we undertake structural modifications to remedy the noncompliance.

Refer to our "Risks related to liquidity and financing" section below for additional construction and development risks related to financing.

Attractive investment opportunities may not be available, which could adversely affect our profitability. We expect that other real estate investors, including insurance companies, pension and investment funds, private equity, sovereign wealth funds and REITs both in the multifamily as well as other sectors, will compete with us to acquire existing properties and to develop new properties. This competition could increase prices for properties of the type we would likely pursue and adversely affect our profitability for new investments.

Acquisitions may not yield anticipated results. Our business strategy of acquiring communities involves the following risks, among others: (i) acquisitions may not perform as we expected; (ii) our estimate of the costs of operating, repositioning or redeveloping an acquisition may be inaccurate; and (iii) acquisitions may subject us to unknown liabilities.

Failure to succeed in new markets, or with new brands and community formats, or in activities other than the development, ownership and operation of residential rental communities may have adverse consequences. We have engaged, and may continue from time to time to engage, in development, acquisition and operating activity outside of our pre-existing market areas. Our historical experience in our existing markets in developing, owning and operating rental communities does not ensure that we will be able to operate successfully in new markets. We may be exposed to a variety of risks when we enter a

new market, including an inability to accurately evaluate local apartment rental housing market conditions and an inability to obtain land for development or to identify appropriate acquisition opportunities. In order to more rapidly expand in our new markets, we have relied on third party developers to source and manage developments and on third-party general contractors to manage construction more than we have in our existing markets. Relying on third parties to assist with and/or oversee development and construction creates additional and different risks than when we manage these activities directly, including that the third party may not perform to our standards, may breach contractual arrangements, or may incur liquidity constraints.

We also may engage or have an interest in for-sale activity. We may be unsuccessful at developing real estate with the intent to sell or in selling condominiums at originally underwritten values, within anticipated timeframes, or at all, as a disposition strategy for an asset, which could have an adverse effect on our results of operations.

We provide, through our internally operated shared service center, various back-office, financial administrative support services to a third party for a fee, and we may in the future provide such services to other third parties. There can be no assurance that we will be successful in providing such services, and the provision of such services creates additional sources of risk and potential liability for us with respect to the professional commitments and service levels we undertake when providing such services.

We are exposed to risks associated with investment in technology and environmentally focused venture funds and companies. We have invested in, and may in the future invest in, venture funds that invest in companies seeking innovation through new processes and the application of technology to property operations, development, construction and energy management. We have also invested directly in, and may in the future invest directly in, companies that engage in these activities. While such investments give us a greater understanding of new and emerging technologies, such investments involve risks, including the possibility that our investments will decline substantially in value or fail to achieve anticipated strategic benefits.

Our investments in technology companies, or in funds that invest in technology companies, are generally held through TRSs pursuant to which we will incur taxable gains upon the disposition of our interests. In addition, the value of these investments may be volatile and declines in value may impact our reported income even if we do not sell the investment.

We are exposed to risks associated with investment in, and management of, joint ventures. At times we invest directly and indirectly in real estate as a partner or a co-venturer with other investors. Joint venture investments involve risks, including the possibility that our partner might become insolvent or otherwise refuse to make capital contributions when due; that we may be responsible to our partner for indemnifiable losses or the debt and obligations of an investment; that our investments may lose all or some of their value; that our partner might have business goals that are inconsistent with ours which may result in the venture or investment being unable to implement certain decisions that we consider beneficial; that our partner may be in a position to take action or withhold consent contrary to our instructions or requests; that, in cases where we are the general partner or managing member, our partners holding a majority of the equity interests may remove us from such role in certain cases involving cause; and that we may be liable and/or our status as a REIT may be jeopardized if either the investments, or the REIT entities associated with the investments, fail to comply with various tax or other regulatory matters. Frequently, we and our partner may each have the right to trigger a buy-sell or similar arrangement that could cause us to sell our interest, acquire our partner's interest or force a sale of the asset, which could occur at a time when we otherwise would not have initiated such a transaction or on terms that are not most advantageous to us.

Mezzanine debt and preferred equity investments could cause us to incur expenses and experience delays in recovery, which could adversely affect our results of operations. We make mezzanine loans to borrowers and obtain preferred equity interests in projects owned by third-party sponsors as part of our SIP. Some of these instruments may have some recourse to their borrower or sponsor, while others are limited to the collateral securing the loan or the right to remove the sponsor as manager of the venture in preferred equity investments. In the event of a default under these obligations, we may elect to take possession of the collateral securing these interests, or remove a sponsor from management of a preferred equity investment. Borrowers of mezzanine loans may contest our enforcement actions, including foreclosure, assignment in lieu of foreclosure, or other remedies, and sponsors may contest our removal actions. In addition, borrowers and sponsors may seek bankruptcy protection against such enforcement and/or bring claims for lender liability in response to actions to enforce their obligations to us, which could result in significant legal costs, delays, or limitations on our ability to realize the value of our investments. Declines in the value of the underlying properties may also prevent us from realizing an amount equal to our investment upon foreclosure or other remedies even if we make substantial improvements or repairs to maximize such properties' investment potential.

We cannot be certain that our estimate of future credit losses will be adequate over time because of unanticipated adverse changes in the economy or events adversely affecting specific properties, assets, tenants, borrowers, industries in which our tenants and borrowers operate or markets in which our tenants and borrowers or their properties are located. The ultimate

resolutions may differ from our expectation, and we could suffer losses that would have a material adverse effect on our financial performance, the trading price of our securities and our ability to pay dividends and distributions.

We are exposed to risks associated with real estate assets that are subject to ground leases that may restrict our ability to finance, sell or otherwise transfer our interests in those assets, limit our use and expose us to loss if such agreements are breached by us or terminated. We own assets that are subject to long-term ground leases. These ground leases may impose limitations on our use or improvement of the properties, restrict our ability to finance, sell or otherwise transfer our interests or restrict the leasing of the properties. These restrictions may limit our ability to timely sell or exchange the properties, impair the properties' value or negatively impact our ability to operate the properties. In addition, we could lose our interests in the properties if the ground leases are breached by us, terminated or lapse. As we get closer to the lease termination dates, the values of the properties could decrease if we are unable to agree upon an extension of the lease with the lessor. Certain of these ground leases have payments subject to annual escalations and/or periodic fair market value adjustments which could adversely affect our financial condition or results of operations.

Land we hold with no current intent to develop may be subject to future impairment charges. We own land parcels that we do not currently intend to develop. As discussed in Item 2. "Properties—Other Land and Real Estate Assets," in the event that the fair market value, less the cost to dispose of a parcel, changes such that it is less than the carrying basis of the parcel, we would be subject to an impairment charge, which would reduce our net income.

Our various technology-related initiatives to improve our operating margins and customer experience may fail to perform as expected and may expose us to additional risks. We have developed and may continue to develop initiatives that are intended to serve our customers better and help us operate more efficiently, including "smart home" and building automation technologies; use of AI in correspondence with prospective, current and prior residents; automation of internal business processes and other applications; and self-service options that are accessible to residents through smart devices or otherwise. Such initiatives have involved and may continue to involve our employees having new or different responsibilities and processes. We may incur significant costs and divert resources in connection with such initiatives, and these initiatives may not perform as expected, which could adversely affect our business, results of operations, cash flows and financial condition. Certain AI or machine learning tools used in our operations, or used by third parties with whom we do business, may generate outputs that are incomplete, inaccurate, misleading or otherwise flawed, and such issues may be difficult to identify or detect. Reliance on such outputs could result in operational inefficiencies, errors in communications, adverse impacts on resident experience, reputational harm, loss of customers, or legal or regulatory exposure. Furthermore, future regulatory developments, including data privacy laws, AI governance requirements, cybersecurity standards, or consumer protection protocols could impose restrictions on the use of these technologies or require us to implement costly compliance measures. Competition from companies employing technology-related initiatives more effectively could also negatively impact our business. Finally, public perception of new technologies (including AI), such as concerns about data privacy and algorithmic bias, could affect customer acceptance of technology-driven services, which could harm our reputation and business.

Risks related to liquidity and financing

Capital and credit market conditions may adversely affect our access to various sources of capital and/or the cost of capital, which could impact our business activities, dividends, earnings and common stock price, among other things. In periods when the capital and credit markets experience significant volatility or prolonged tightening, the amounts, sources and cost of capital available to us may be adversely affected. We use external financing as one source of capital to fund construction and to refinance indebtedness as it matures. If sufficient sources of external financing are not available to us on cost-effective terms, we could be forced to limit our development and redevelopment activity and/or take other actions to fund our business activities and repayment of debt, such as selling assets, reducing our cash dividend or issuing equity or debt securities. If we are able and/or choose to access capital at a higher cost than we have experienced in recent years, our earnings per share and cash flows could be adversely affected. In addition, the price of our common stock may fluctuate significantly and/or decline in a high interest rate environment or a volatile economic environment, or if we dilute the interest of stockholders by issuing additional equity. Further, events involving limited liquidity, defaults, non-performance or other adverse developments that affect the lenders under our Credit Facility, the dealers under our Commercial Paper Program, financial institutions where we have deposits, transactional counterparties or other companies in the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, could result in losses or defaults by these institutions or counterparties or could lead to market-wide liquidity problems. Disruptions and uncertainty with respect to financial institutions, including as a result of bank failures, credit downgrades and liquidity concerns, may negatively impact our ability to refinance existing indebtedness and access additional financing at reasonable terms or at all, or may cause us or our transactional counterparties to be unable to complete transactions as intended, all of which could have a material adverse effect on our financial condition and results of operations.

Insufficient cash flow could affect our debt financing and create refinancing risk. We are subject to the risks associated with debt financing, including the risk that our available cash will be insufficient to meet required payments of principal and interest on our debt. For us to continue to qualify as a REIT, we are required to annually distribute dividends generally equal to at least 90% of our REIT taxable income, which limits the amount of our cash flow available to meet required principal and interest payments. The principal outstanding balance on a portion of our debt will not be fully amortized prior to its maturity. We cannot assure you that we will have sufficient cash flows available to make all required principal payments. Therefore, we expect that we will generally need to refinance at least a portion of our outstanding debt as it matures. There is a risk that we may not be able to refinance existing debt or that a refinancing will not be done on as favorable terms; either of these outcomes could have a material adverse effect on our financial condition and results of operations.

Rising interest rates could increase interest costs and could affect the market price of our common stock, and efforts to hedge such risk could be ineffective and cause us to incur additional costs. Interest rates have increased in recent years, and may increase further. If interest rates maintain their existing levels or further increase, our interest costs on variable rate debt will rise, and our effective interest costs on newly issued fixed rate debt may be higher than on our existing debt. In addition, an increase in market interest rates may lead purchasers of our common stock to demand a greater annual dividend yield, which could adversely affect the market price of our common stock.

We use interest rate derivatives to manage our exposure to fluctuations in interest rates in connection with anticipated debt issuances, floating rate debt or refinancing activity. Such hedges may mitigate interest rate volatility. The interest rate derivatives we use to manage interest rate risk for our anticipated debt issuance activity could result in a material impact to earnings if we do not issue the anticipated debt, or are otherwise unsuccessful in our hedging activities. In addition, our use of hedging arrangements may expose us to additional risks, including a risk that a counterparty to a hedging arrangement may default on the contract. There can be no assurance that our hedging activities will be effective at reducing the risks associated with interest rate fluctuations.

Bond financing and zoning and other compliance requirements could limit our income, restrict the use of communities and cause favorable financing to become unavailable. We have financed some of our apartment communities with obligations issued by local government agencies because the interest paid to the holders of this debt is generally exempt from federal income taxes, which typically provides a more favorable interest rate for us. These obligations are commonly referred to as "tax-exempt bonds" and generally must be secured by mortgages on our communities. As a condition to obtaining (i) tax-exempt financing, (ii) favorable zoning or (iii) an agreement relating to property taxes in some jurisdictions, we will commit to make some of the apartments in a community available to households whose income does not exceed certain thresholds (e.g., 50% or 80% of area median income), or who meet other qualifying tests. As of December 31, 2025, 4.5% of homes at Current Communities were under income limitations such as these. These commitments, which may or may not expire, may limit our ability to raise rents, adversely affecting the value of communities subject to these restrictions. If we fail to observe these commitments, we could lose benefits (such as reduced property taxes) or face liabilities including liability for the benefits we received under tax exempt bonds, tax credits or agreements related to property taxes.

Our tax-exempt bonds may require us to obtain a guarantee from a financial institution of payment of the principal and interest on the bonds, such as a letter of credit, surety bond, guarantee agreement or other additional collateral. If the financial institution defaults on its guarantee obligations, or if we are unable to renew the applicable guarantee or otherwise post satisfactory collateral, a default will occur and the community could be foreclosed upon if we do not redeem the tax exempt bonds.

Risks related to indebtedness. We have a Credit Facility and Commercial Paper Program with a syndicate of commercial banks as well as a Term Loan and secured and unsecured notes. Our organizational documents do not limit the amount or percentage of indebtedness that may be incurred. Accordingly, subject to compliance with outstanding debt covenants, we could incur more debt, resulting in an increased risk of default on our obligations and an increase in debt service requirements that could adversely affect our financial condition and results of operations.

The mortgages on properties that are subject to secured debt, our Credit Facility, Term Loan, Commercial Paper Program and the indentures under which a substantial portion of our debt was issued contain customary restrictions, requirements and other limitations, as well as certain financial and operating covenants including maintenance of certain financial ratios. Maintaining compliance with these restrictions could limit our flexibility. A default in these requirements, if uncured, could result in a requirement that we repay indebtedness, which could materially adversely affect our liquidity and increase our financing costs. Refer to Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further discussion.

A substantial portion of our debt is subject to prepayment penalties or premiums that we will be obligated to pay in the event that we elect to prepay the debt prior to the earlier of (i) its stated maturity or (ii) another stated date. If we elect to prepay a significant amount of outstanding debt, our prepayment penalties or payments under these provisions could materially adversely affect our results of operations.

Failure to maintain our current credit ratings could adversely affect our cost of funds, related margins, liquidity and access to capital markets. There are two major debt rating agencies that routinely evaluate and rate our debt. Their ratings are based on a number of factors, which include their assessment of our financial strength, liquidity, capital structure, asset quality, amount of real estate under development, and sustainability of cash flow and earnings, among other factors. If market conditions change, we may not be able to maintain our current credit ratings, which could adversely affect our cost of funds and related margins, liquidity and access to capital markets.

The form, timing and/or amount of dividend distributions in future periods may vary and be impacted by our revenue generation, other liquidity needs and economic and other considerations. The form, timing and/or amount of dividend distributions will be declared at the discretion of the Board of Directors and will depend on our rental revenue, actual cash from operations, our financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code and other factors as the Board of Directors may consider relevant. The Board of Directors may modify our dividend policy from time to time.

We may experience barriers to selling apartment communities that could limit financial flexibility. Difficulties in selling real estate at prices we find acceptable in a timely manner may limit our ability to quickly change or reduce the apartment communities in our portfolio in response to changes in economic, regulatory, or other conditions. Federal tax laws may also limit our ability to sell properties when desired. See "Risks related to our REIT or tax status or reliance on various tax regulations" section for more information on federal tax law risks. In addition, the capitalization rates/disposition yields at which apartment communities may be sold could also be higher than historic rates, thereby reducing our potential proceeds from sale.

Increased scrutiny and changing expectations from regulators, investors, associates, residents and others regarding our environmental, social and governance practices and reporting, including those related to workplace inclusion and diversity (collectively, "Corporate Responsibility" or "CR"), could impact our business practices, cause us to incur additional costs and expose us to new risks. Corporate Responsibility practices and ratings are important to some investors and other stakeholders who may have differing and conflicting views as to their preferred approach to CR matters. Expectations regarding CR may impact our business practices and the price of our securities. Changing practices have in the past and may in the future include expanded mandatory and voluntary reporting, diligence, and disclosure on topics such as climate change, greenhouse gas emissions, human capital, inclusion and diversity, labor, and risk oversight, and these could expand the nature, scope, and complexity of matters that we are required to control, assess and report on, which may prove difficult, expensive and time consuming. In addition, the adoption of increased government regulations and changes in investor preference related to CR matters may result in changes to our business practices, including increasing expenses or capital expenditures. We have communicated certain initiatives regarding CR matters and we may in the future communicate revised or additional initiatives. If our initiatives are unsuccessful or we fail to satisfy the expectations of investors, residents, employees and other stakeholders, our reputation could be adversely affected. In recent years, corporate initiatives relating to environmental, social and governance matters, including workplace inclusion and diversity, have attracted negative commentary and regulatory attention in the broader business sector. Legislation, regulatory initiatives, litigation, legal opinions, federal executive orders and increased scrutiny related to CR matters could expose the Company to additional compliance obligations, costs, and potential liabilities.

Risks related to operations of our communities

Laws, regulations and orders imposing rent control or rent stabilization, or limiting our rights as a landlord, could adversely affect our operations and revenue. A number of states and municipalities have implemented or are seeking to implement rent control or rent stabilization laws and regulations or take other actions that could limit or delay our ability to raise rents, use algorithmic pricing tools, charge non-rent fees, screen and evict tenants for non-payment of rent or other lease violations. For example, the State of California has statewide rent control for communities older than fifteen years, limiting rent increases to the lesser of 10% or 5% plus local CPI, the State of Washington has similar rules (limiting rent increases to the lesser of 10% or 7% plus local CPI for communities older than 12 years) and the State of New York has rules for rent-controlled and rent-stabilized units that limit the way rent increases are calculated for renewal leases, basing increases solely on rent actually paid and eliminating the ability to increase the renewal rent to a higher "registered rent." Furthermore, in California the Governor has the ability to enact local or statewide states of emergency which limit our ability to increase new and renewal rents more than 10% over the rent in place on the date such state of emergency was declared, which has impacted some of our California communities. We have seen an increase in state and local governments in our markets implementing, considering or being urged by various constituencies to consider regulations of the types described above. Additionally, various federal agencies have engaged in efforts aimed at addressing pricing in the rental market. Current and future enactments of rent control or rent stabilization laws or other laws regulating rental housing may limit our ability to charge market rents, increase rents, use algorithmic pricing tools, charge non-rent fees, screen and evict tenants or recover increases in our operating expenses and could make it more difficult for us to dispose of properties in certain circumstances. Expenses associated with our investment in these communities, such as debt service, real estate taxes, insurance and maintenance costs, are generally not reduced when circumstances cause a reduction in rental income from the community.

We face risks related to multifamily rental antitrust lawsuits and regulatory investigations and actions. Lawsuits, government investigations and proposed legislation relating to antitrust matters in the multifamily rental market are ongoing and may impact the Company, whether or not we are found directly liable for an antitrust violation. For example, a purported class action has been brought by private litigants against RealPage, Inc., a provider of revenue management systems, and numerous multifamily rental companies; while we were originally named as a defendant, the Company was voluntarily dismissed without prejudice from this case after explaining to plaintiffs' counsel why the Company believed that these cases were without merit as they pertained to the Company. Subsequently, on November 1, 2023, the District of Columbia filed a lawsuit in the Superior Court of the District of Columbia against RealPage, Inc. and a number of owners and/or operators of multifamily housing in the District of Columbia, including the Company, alleging that the defendants violated the District of Columbia Antitrust Act by unlawfully agreeing to use RealPage, Inc. revenue management systems and sharing sensitive data (the "D.C. Antitrust Litigation"). Our motions to dismiss and for judgment on the pleading have been denied by the court.

On January 15, 2025, the Office of the Attorney General of the State of Maryland filed a lawsuit similar to the D.C. Antitrust Litigation in the Circuit Court for Prince George's County, Maryland in which RealPage, Inc. and a number of owners and/or operators of multifamily properties in Maryland, including the Company, have been named and alleged to have violated state antitrust law (the "Maryland Antitrust Litigation"). On February 28, 2025, the Company filed a motion to dismiss. On April 23, 2025, the Attorney General of the State of New Jersey and the New Jersey Division of Consumer Affairs filed a lawsuit similar to the D.C. Antitrust Litigation and the Maryland Antitrust Litigation in the U.S. District Court for the District of New Jersey. The lawsuit alleges that RealPage, Inc. and a number of owners and/or operators of multifamily properties in New Jersey, including the Company, violated federal and state antitrust laws and the state consumer fraud law (the "New Jersey Antitrust Litigation") by unlawfully agreeing to use RealPage, Inc. revenue management systems and other related actions. On July 29, 2025, the Company filed a motion to dismiss. While the Company intends to vigorously defend against the D.C. Antitrust Litigation, the Maryland Antitrust Litigation and the New Jersey Antitrust Litigation, the Company is unable to predict the outcome or estimate the amount of loss, if any, that may result from the lawsuits.

Other governmental investigations and lawsuits regarding antitrust matters in the multifamily industry are ongoing, including an antitrust lawsuit brought by the U.S. Department of Justice, along with the attorneys general of many states, against other multifamily rental providers to which the Company is not a party. Jurisdictions other than the District of Columbia, Maryland, New Jersey or additional federal agencies, may also bring suits against multifamily rental providers. Regardless of the outcome of the D.C. Antitrust Litigation, the Maryland Antitrust Litigation, the New Jersey Antitrust Litigation or any other lawsuits or governmental investigations, the Company may incur substantial costs related to these matters, whether as a defendant or as a third-party witness. As well, settlements by RealPage, Inc. or other defendants in such cases could impact the multifamily industry in ways that have an adverse effect on the Company.

In addition, state and federal legislation has been introduced, and in some jurisdictions adopted, to regulate the use by multifamily apartment rental companies of third-party algorithmic revenue management systems. The impact on the Company is difficult to predict. Lawsuits, government investigations and new legislation related to antitrust matters may, among other

things, be costly to comply with, result in negative publicity, require significant management time and attention and subject us to remedies or burdensome requirements that adversely affect our business.

Noncompliance with applicable laws in the building and operation of our communities could adversely affect our operations or expose us to liability. We must develop, construct and operate our communities in compliance with federal, state and local laws and regulations, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include zoning laws, building codes, landlord/tenant laws and other laws generally applicable to business operations. Noncompliance with laws could expose us to liability. Lower revenue growth or significant unanticipated expenditures may result from our need to comply with changes in (i) laws imposing remediation requirements or other conditions, or (ii) other governmental rules and regulations or enforcement policies affecting the development, use and operation of our communities, including changes to building codes and fire and life-safety codes.

Short-term leases expose us to the effects of declining market rents. Most of our residential leases are for a term of one year or less. Because these leases generally permit the residents to leave at the end of the lease term without penalty, our rental revenues are impacted by declines in market rents more quickly than if our leases were for longer terms.

Competition could limit our ability to lease apartment homes or increase or maintain rents. Our apartment communities compete with other apartment operators as well as rental housing alternatives, such as single-family homes for rent and short term furnished offerings such as those available from extended stay hotels or through online listing services. In addition, our residents and prospective residents also consider, as an alternative to renting, the purchase of a new or existing condominium or single-family home. Competitive residential housing could adversely affect our ability to lease apartment homes and to increase or maintain rental rates.

Unfavorable changes in market and economic conditions could adversely affect occupancy, rental rates, operating expenses, and the overall market value of our real estate assets. Local conditions in our regions significantly affect occupancy, rental rates and the operating performance of our communities, and may be adversely affected by the following risks:

- corporate restructurings and/or layoffs, remote or hybrid work trends, and industry slowdowns;
- an oversupply of, or a reduced demand for, apartment or other rental homes;
- a decline in household formation or employment or lack of employment growth or slower wage growth;
- the inability or unwillingness of residents to pay rent increases, including as a result of inflation, higher interest rates or broader cost-of-living pressures; and
- economic conditions that could cause an increase in our operating expenses, such as increases in property taxes, utilities, compensation of on-site associates and routine maintenance.

Risks related to the impact of a pandemic, epidemic or other health crisis on multifamily rental housing. The national and global impacts of a health crisis, including a pandemic, epidemic or other public health emergency, may present material uncertainty and risk with respect to our financial condition, results of operations and cash flows. State, local, and federal entities may impose restrictions, for varying times and to varying degrees, on our ability to enforce residents' contractual lease obligations, and this may affect our ability to enforce all of our remedies (such as pursuing collections, imposing late fees and seeking evictions) for the failure to pay rent and may result in foregone revenue. Our properties could also incur significant costs or losses related to shelter-in-place or stay-at-home orders, quarantines, infection, clean-up costs or other related factors, which may cause residents to move to locations other than our markets. Public health crises could also adversely affect labor availability, supply chains, and resident demand across our markets. Moreover, many of the risk factors set forth in this Form 10-K could be interpreted as heightened risks in the event of a pandemic, epidemic or other health crisis.

Further, emergency orders or other governmental actions taken in response to a public health crisis may disrupt our development and construction activity which may increase our construction costs and we may not achieve, on the schedule we originally planned, the cash flows that we expect when we begin leasing a completed property. We may also delay the start of construction of additional development communities which, if constructed and leased as originally planned, would have been a source of future additional cash flow.

Risks related to commercial leasing operations. Although we are primarily in the multifamily rental business, we also own and lease ancillary commercial space. Gross rental revenue provided by leased commercial space in our portfolio represented 1.3% of our total revenue in 2025. The long term nature of our commercial leases and characteristics of many of our tenants (small, local businesses) may subject us to certain risks. We may not be able to lease new space for rents that are consistent with our projections or at market rates. Also, when leases for our existing commercial space expire, the space may not be relet or the terms of reletting, including the cost of allowances and concessions to tenants, may be less favorable than the current lease terms. Our properties compete with other properties with commercial space. If our commercial tenants experience financial

distress or bankruptcy, they may fail to comply with their contractual obligations, seek concessions in order to continue operations or cease their operations, which could adversely impact our results of operations and financial condition.

Inflation and related volatility in the economy could negatively impact our residents and our results of operations. Although it has declined from its 2022 peak, inflation has remained elevated in 2024 and 2025 compared to pre-pandemic years, and may continue at the present level or increase. Inflation and its related impacts, including increased prices for services, goods, insurance, and property taxes, and higher interest rates and wages, and any resulting policy interventions by the U.S. government, could negatively impact our residents' ability to pay rents or our results of operations. Most of our residential leases are for a term of one year or less, which we believe mitigates our exposure to inflation by permitting us to set rents commensurate with inflation (subject to rent regulations to the extent they apply and assuming our current or prospective residents will accept and can pay commensurate increased rents, of which there can be no assurance). However, inflation could outpace any increases in rent and adversely affect us. In addition, property taxes can be impacted by inflationary changes because taxes in some jurisdictions are regularly reassessed based on changes in the fair value of our properties. We may not be able to mitigate the effects of inflation and related impacts, and the duration and extent of any prolonged periods of inflation, and any related adverse effects on our results of operations and financial condition, are unknown at this time. Inflation may also cause increased volatility in financial markets, which could affect our ability to access the capital markets or impact the cost, timing, or terms at which we are able to do so.

Inflation, either caused by tariffs imposed or threatened by the federal government or due to other causes, may also increase the costs to complete our development projects, including costs of materials, labor and services from third-party contractors and suppliers. Higher construction costs could adversely impact our investments in real estate assets and our expected yields on development projects.

Risks related to our REIT or tax status or reliance on various tax regulations

Failure to qualify as a REIT would cause us to be taxed as a corporation, which would significantly reduce funds available for distribution to stockholders. If we fail to qualify as a REIT for federal income tax purposes, we will be subject to regular federal corporate income tax on our taxable income. In addition, unless we are entitled to relief under applicable statutory provisions, we would be ineligible to make an election for treatment as a REIT for the four taxable years following the year we lose our qualification. The additional tax liability resulting from the failure to qualify as a REIT would significantly reduce or eliminate the amount of funds available for distribution to our stockholders. Furthermore, we would no longer be required to make distributions to our stockholders. Thus, our failure to qualify as a REIT could also impair our ability to expand our business and raise capital and would adversely affect the value of our common stock.

We believe that we are organized and qualified as a REIT, and we intend to operate in a manner that will allow us to continue to qualify as a REIT. However, we cannot assure you that we are qualified as a REIT, or that we will remain qualified in the future. This is because qualification as a REIT involves the application of highly technical and complex provisions of the Code for which there are only limited judicial and administrative interpretations and involves the determination of a variety of factual matters and circumstances not entirely within our control. Our qualification as a REIT depends on our satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. In addition, future legislation, new regulations, administrative interpretations or court decisions may significantly change the tax laws or the application of the tax laws with respect to qualification as a REIT for federal income tax purposes or the federal income tax consequences of such qualification. Additionally, our expanding range of investments (such as investments in mezzanine loans, preferred equity, and technology and environmentally focused venture funds and companies) may add additional REIT compliance challenges, some of which may involve determinations or circumstances that may be beyond our control.

Even if we qualify as a REIT, we will be subject to certain federal, state and local taxes on our income and property and on taxable income that we do not distribute to our stockholders. In addition, we hold certain assets and engage in certain activities through our TRSs that a REIT could not engage in directly. We also use TRSs to hold certain assets that we believe would be subject to the 100% prohibited transaction tax if sold at a gain outside of a TRS or to engage in activities that generate non-qualifying REIT income. Our TRSs are subject to federal income tax as regular corporations.

Legislative or other actions affecting REITs could have a negative effect on us or our stockholders. The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service ("IRS") and the U.S. Department of the Treasury. Changes to the tax laws, with or without retroactive legislation, could adversely affect us or our stockholders. New legislation, Treasury Regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT, the federal income tax consequences of such qualification, or the federal income tax consequences of an investment in our Company. Also, the law relating to the tax

treatment of other entities, or an investment in other entities, could change, making an investment in such other entities more attractive relative to an investment in a REIT.

Our ownership of TRSs is subject to certain restrictions, and we will be required to pay a 100% penalty tax on certain income or deductions if transactions with our TRSs are not conducted on arm's-length terms. We have established several TRSs. The TRSs must pay federal income tax on their taxable income as regular corporations. While we attempt to ensure that our dealings with our TRSs do not adversely affect our REIT qualification, we cannot provide assurances that we will successfully achieve that result. Furthermore, we may be subject to a 100% penalty tax, to the extent dealings between us and our TRSs are not deemed to be arm's-length in nature. We intend that our dealings with our TRSs will be on an arm's-length basis. No assurances can be given, however, that the IRS will not assert a contrary position.

Failure of one or more of our subsidiaries to qualify as a REIT could adversely affect our ability to qualify as a REIT. We have owned and may in the future own interests in subsidiaries that have elected (or will elect) to be taxed as REITs under the Code. These subsidiary REITs were or will be subject to the REIT qualification requirements and other limitations that are applicable to us. If any of our subsidiary REITs were to fail to qualify as a REIT, then (i) the subsidiary REIT would become subject to federal income tax, (ii) our ownership of shares in such subsidiary REIT would cease to be a qualifying asset for purposes of the asset tests applicable to REITs, and (iii) it is possible that we could also fail to qualify as a REIT.

The tax imposed on REITs engaging in "prohibited transactions" may limit our ability to engage in transactions which would be treated as sales for federal income tax purposes. We may transfer or otherwise dispose of some of our properties. Under the Code, unless certain exceptions apply, any gain resulting from transfers of properties that we hold as inventory or primarily for sale to customers in the ordinary course of business could be treated as income from a prohibited transaction subject to a 100% penalty tax from the gain on the sale of the property, which could potentially adversely impact our status as a REIT unless we own the property through a TRS. Since we acquire properties for investment purposes, we do not believe that our occasional transfers or disposals of property should be treated as prohibited transactions. However, whether property is held for investment purposes depends on the facts and circumstances surrounding the particular transaction. The IRS may contend that certain of our transfers or disposals of properties are prohibited transactions. If the IRS were to argue successfully that a transfer or disposition of property was a prohibited transaction, then we would be required to pay a 100% penalty tax on any gain allocable to it from the prohibited transaction, and our ability to retain proceeds from real property sales may be jeopardized.

We may face risks in connection with Section 1031 exchanges. We may dispose of real properties in transactions intended to qualify as "like-kind exchanges" under Section 1031 of the Code. If a transaction intended to qualify as a Section 1031 exchange is later determined to be taxable, we may face adverse consequences, and if the laws applicable to such transactions are amended or repealed, we may not be able to dispose of real properties on a tax-deferred basis.

We may choose to pay dividends in our own stock, in which case, stockholders may be required to pay tax in excess of the cash they receive. We may distribute taxable dividends that are payable in part in our stock. Taxable stockholders receiving such dividends will be required to include the full amount of the dividend as income to the extent of our current and accumulated earnings and profits for federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of the cash dividend received. If a U.S. stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, the trading price of our stock would experience downward pressure if a significant number of our stockholders sell shares of our stock in order to pay taxes owed on dividends.

Risks that may not be insured in full or in part

We are exposed to risks that are either uninsurable, not economically insurable or in excess of our insurance coverage, including risks discussed below. Insurance coverage for various risks can be costly and in limited supply. As a result, we may experience shortages in desired coverage levels if market conditions are such that insurance is not available or the cost of insurance makes it, in our view, economically impractical. Incidents that directly or indirectly damage our communities, both physically and financially, or cause losses that exceed our insurance coverage (including amounts payable by our captive insurance company) could have a material adverse effect on our business, financial condition and results of operations including increased maintenance, repair, and delays in construction. In addition, we would also continue to be obligated to repay any mortgage indebtedness or other obligations related to the community which could have a material adverse effect on our business and our financial condition and results of operations. The following risks are uninsurable or insurance coverage is limited due to premium rates (See Item 2. "Properties—Insurance and Risk of Uninsured Losses"):

- **Earthquake risk.** As further described in Item 2. "Properties—Insurance and Risk of Uninsured Losses," many of our West Coast communities are located in the general vicinity of active earthquake faults. Insurance coverage for earthquakes can be costly and in limited supply.
- **Climate, severe or inclement weather or natural disaster risk.** Many of our markets, particularly those located in coastal cities, are exposed to risks associated with inclement or severe weather including those arising from climate change, such as hurricanes, severe winter storms and coastal flooding. Many of our properties are also located in areas, such as Southern California or Texas, that are exposed to risks of drought, wildfire or other natural disasters, including those arising from climate change. For example, in Southern California, a series of wildfires affected the Los Angeles metropolitan area and San Diego in January 2025, forcing a large scale evacuation and resulting in the destruction or damage of thousands of homes and structures. Additionally, the 2024 hurricane season was particularly severe and saw landfall of two major hurricanes in Florida and significant damage from flooding in North Carolina. Although none of these events caused material damage to our properties, similar disasters could occur in the future.
- **Terrorism and other risk.** We have significant investments in metropolitan markets such as Metro New York/New Jersey and Washington, D.C., which have in the past been or may in the future be the target of actual or threatened terrorist attacks. We carry commercial general liability insurance, property insurance and terrorism insurance with respect to our communities on terms and in amounts we consider commercially reasonable. There are, however, certain types of losses (such as from acts of war) we do not insure, in full or in part, because they are either uninsurable or we believe the cost of insurance is economically impractical.

We may be adversely impacted by climate change. We may experience physical climate change impacts, including from extreme weather, sea level rise, declines in available water supplies and changes in precipitation, temperature and wildfire exposure, all of which may result in damage to, disruption of services at, and/or a decrease in demand for properties located in areas affected by these conditions. Should the impact of these conditions be material or occur for lengthy periods of time, our financial condition or results of operations may be adversely affected, and it may negatively impact the types and pricing of insurance we are able to procure.

In addition, we may experience transition risks associated with climate change. The implementation of new or changes in existing federal, state and local regulations based on concerns about climate change could result in increased capital expenditures or operating expenses on our existing properties (for example, required retrofitting of existing systems or increased utility costs) and our new development properties (for example, to improve energy efficiency, reduce greenhouse gas emissions and/or improve resistance to inclement weather) without a corresponding increase in revenue, resulting in adverse impacts to our results of operations. Further, laws and regulations at the federal, state and local level requiring climate-related disclosures, including rules promulgated by the SEC or enacted or proposed at the state or local levels (including in California), may increase compliance and data collection costs if, and when, such laws and regulations become effective.

We may incur costs due to environmental contamination or non-compliance. Under various public health laws and regulations, we may be required, regardless of knowledge or responsibility, to investigate and remediate the presence or effects of hazardous or toxic substances such as asbestos, lead paint, chemical vapors from soils or groundwater, petroleum product releases, and natural substances such as methane and radon gas. We may be held liable under these laws or common law to a governmental entity or to third parties for property, personal injury or natural resources damages and for investigation and remediation costs incurred as a result of the contamination. These damages and costs may be substantial and may exceed any insurance coverage we have for such events. The presence of these substances, or the failure to properly remediate or contain the contamination, may adversely affect our ability to borrow against, develop, sell or rent the affected property. In addition, some environmental laws create or allow a government agency to impose a lien on the contaminated site in favor of the government for damages and costs it incurs as a result of the contamination.

The development, construction and operation of our communities are subject to environmental, health and safety regulations and permitting under various federal, state and local laws, regulations and ordinances, which regulate matters including wetlands protection, storm water runoff and wastewater discharge, air quality and emissions, and hazardous materials management. These laws and regulations may impose restrictions on how our communities may be developed, and noncompliance with these laws and regulations may subject us to fines and penalties and may subject us to liability in connection with personal injury or remediation obligations.

Certain laws and regulations govern the removal, encapsulation or disturbance of asbestos containing materials ("ACMs") when such materials are in poor condition or in the event of renovation or demolition of a building. These laws and the common law may impose liability for release of ACMs and may allow third parties to seek recovery from owners or operators of real

properties for personal injury associated with exposure to ACMs. We are not aware that any ACMs were used in the construction of the communities we developed. ACMs were, however, used in the construction of a number of the communities that we have acquired. Although we implement an operations and maintenance program at each of the communities at which ACMs are detected, we may fail to adequately observe such program or a disturbance of ACMs may occur nevertheless, exposing us to liability. We are aware that some of our communities have lead paint and have implemented an operations and maintenance program at each of those communities.

All of our stabilized operating communities, and all of the communities that we are currently developing, have been subjected to at least a Phase I or similar environmental assessment, which generally does not involve invasive techniques such as soil or groundwater sampling. These assessments, together with subsurface assessments conducted on some properties, have not revealed, and we are not otherwise aware of, any environmental conditions that we believe would have a material adverse effect on our business, assets, financial condition or results of operations. In connection with our ownership, operation and development of communities, we may undertake substantial remedial action in response to the presence of subsurface or other contaminants, including contaminants in soil, groundwater and soil vapor beneath or affecting our buildings. In some cases, an indemnity exists upon which we may be able to rely if environmental liability arises from the contamination or remediation costs exceed estimates. There can be no assurance, however, that all necessary remediation actions have been or will be undertaken at our properties or that we will be indemnified, in full or at all, in the event that environmental liability arises.

Mold growth may occur when excessive moisture accumulates in buildings or on building materials, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Certain molds may lead to adverse health effects, including allergic or other reactions. We cannot provide assurance that mold or excessive moisture will be detected and remediated in a timely manner. If a significant mold problem arises at one of our communities, we could be required to undertake a costly remediation program to contain or remove the mold from the affected community and could be exposed to other liabilities that may exceed any applicable insurance coverage.

Additionally, we have occasionally been involved in developing, managing, leasing and operating various properties for third parties. Consequently, we may be considered to have been an operator of such properties and, therefore, potentially liable for removal or remediation costs or other potential costs which relate to the release or presence of hazardous or toxic substances or petroleum products at such properties, even if we did not cause the contamination.

We cannot assure you that:

- the environmental assessments described above have identified all potential environmental liabilities;
- no prior owner created any material environmental condition not known to us or the consultants who prepared the assessments;
- no environmental liabilities have developed since the environmental assessments were prepared;
- the condition of land or operations in the vicinity of our communities, such as the presence of underground storage tanks, will not affect the environmental condition of our communities;
- future uses or conditions, including, without limitation, changes in applicable environmental laws and regulations, will not result in the imposition of environmental liability; and
- no environmental liabilities will arise at communities that we have sold for which we may have liability.

General Risk Factors

The ability of our stockholders to control our policies and effect a change of control of our company is limited by certain provisions of our charter and bylaws and by Maryland law. There are provisions in our charter and bylaws that may discourage a third party from making a proposal to acquire us or otherwise seeking to obtain control of the Company. These provisions include the following:

Our charter authorizes our Board of Directors to issue up to 50,000,000 shares of preferred stock without stockholder approval and to establish the preferences and rights, including voting rights, of any series of preferred stock issued. This could allow the Board to issue one or more classes or series of preferred stock that could discourage or delay a tender offer or a change in control or dilute the voting power of holders of our common stock.

To maintain our qualification as a REIT for federal income tax purposes, not more than 50% in value of our outstanding stock may be owned, directly or indirectly, by or for five or fewer individuals at any time during the last half of any taxable year. To maintain this qualification, and/or to address other concerns about concentrations of ownership of our stock, our charter generally prohibits ownership (directly, indirectly by virtue of the attribution provisions of the Code, or beneficially as defined in Section 13 of the Exchange Act) by any single stockholder of more than 9.8% of the issued and outstanding shares of any

class or series of our stock. In general, under our charter, pension plans and mutual funds may directly and beneficially own up to 15% of the outstanding shares of any class or series of stock. Under our charter, our Board of Directors may in its sole discretion waive or modify the ownership limit for one or more persons, but it is not required to do so even if such waiver would not affect our qualification as a REIT. These ownership limits may prevent or delay a change in control and, as a result, could adversely affect our stockholders' ability to realize a premium for their shares of common stock or otherwise influence the outcome of matters submitted to stockholders for approval.

As a Maryland corporation, we are subject to the provisions of the Maryland General Corporation Law (the "MGCL"), which restricts some business combinations and requires compliance with statutory procedures before some mergers and acquisitions may occur, which may delay or prevent offers to acquire us even if they are in our stockholders' best interests. For example, the MGCL permits a Maryland corporation, like us, to elect to be subject, including by way of a resolution of its board of directors, to certain provisions of the MGCL that may have the effect of delaying or preventing a change in control, including provisions relating to classifying the board of directors. Through provisions in our charter and bylaws, we (a) require the affirmative vote of the holders of at least 75% of the shares then entitled to vote for that purpose for the removal of any director from the board, which removal also requires cause, and (b) require the Company to call a special meeting of the stockholders upon the written request of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting.

Taken together, these charter, bylaw and statutory provisions may delay, deter or prevent a proposed acquisition or a change in control of our Company.

Litigation could adversely affect our business. We are and may in the future become involved in legal proceedings, claims, actions, inquiries and/or investigations in connection with our operations, which may result in defense costs, settlements, fines and/or judgments against us, some of which are not, or cannot be, covered by insurance, including risks related to the multifamily rental antitrust litigation discussed elsewhere in this Form 10-K. Legal proceedings and other claims, if decided adversely to or settled by us, and not covered by insurance, could result in liability material to our financial condition, results of operations or cash flows. Likewise, regardless of outcome, legal proceedings and other claims may result in substantial costs and expenses, affect the availability or cost of some of our insurance coverage and significantly divert the attention of our management. With respect to any legal proceeding or other claim, there can be no assurance that we will be able to prevail, or achieve a favorable settlement or outcome, or that our insurance and/or any contractual indemnities will be enough to cover all of our defense costs or any resulting liabilities.

Changes in U.S. accounting standards may materially and adversely affect the reporting of our operations. We follow accounting principles generally accepted in the United States ("GAAP"). GAAP is established by the Financial Accounting Standards Board ("FASB"), an independent body whose standards are recognized by the SEC as authoritative for publicly held companies. The FASB and the SEC create and interpret accounting standards and may change the interpretation and application of these standards that govern the preparation of our financial statements. These changes could have a material impact on our reported consolidated results of operations and financial position.

We rely on information technology in our operations, and any breach, interruption or security failure of that technology, or any non-compliance with applicable laws with respect to the use of that technology, could have a negative impact on our business, results of operations, financial condition and/or reputation. We rely on information technology, including cloud-based systems and third-party service providers, to process, transmit and store electronic information, and to manage or support a variety of business processes, including financial transactions, personally identifiable information ("PII"), and tenant and lease data. Our business requires us and some of our vendors to use and store PII and other confidential and sensitive information of our residents and employees. Privacy and information security laws and regulations for PII continue to evolve and may be inconsistent from one jurisdiction to another. Compliance with all such laws and regulations may increase our operating costs and adversely impact our ability to market our properties and services.

Information security risks have generally increased in recent years due to the rise in new technologies, such as ransomware and generative AI, automation and increased reliance on interconnected systems, and the increased sophistication and activities of perpetrators of cyber-attacks, including as a result of the intensification of state-sponsored cybersecurity attacks during periods of geopolitical conflict. Cyber-attacks can include third parties gaining access to data using stolen or inferred credentials, computer malware, viruses, spamming, phishing attacks, ransomware, and other deliberate attacks and attempts to gain unauthorized access to our or our vendors' data or information technology systems. Although our and our vendors' information technology systems are essential to the operation of our business and our ability to perform day-to-day operations, even the most well-protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, we may be unable to implement adequate security

barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk. These threats, in turn, may lead to increased costs to protect our information systems, detect and respond to threats, and recover from cyber incidents. Our insurance program may not be adequate to cover all losses relating to such events.

In addition, our use of, and reliance on, AI and machine learning technologies, including generative AI tools used by us or by our vendors, presents additional risks. Such technologies may involve the ingestion or processing of proprietary, confidential or sensitive information, and may increase the risk that such information is disclosed, misused or otherwise compromised, including through unintended outputs or model behavior. In addition, vendors may incorporate AI tools into their products or services without disclosing such use to us, and the providers of such tools may not meet existing or evolving legal, regulatory or industry standards related to privacy, data protection or information security. Any such issues could adversely affect our ability to maintain the confidentiality, integrity and availability of our systems and data, and could result in reputational harm, regulatory scrutiny, legal liability or increased compliance costs.

There can be no assurance that we will be able to prevent unauthorized access to PII or to our data network or business systems in general. Any failure in or breach of our operational or information security systems, or those of our vendors, as a result of cyber-attacks or other security incidents, could materially adversely impact our operations and financial position, including disruption of our operations caused by an inability to access network systems, disclosure or misuse of confidential or proprietary information (including PII of our residents and/or associates), damage to our reputation, and/or potentially significant legal and/or financial liabilities and penalties.

Various laws and regulations and interpretations thereof, as well as agreements with payment processors, require, or may require, us to comply with rules related to our business and our websites used by residents and prospective residents, including requirements related to accessibility of our websites to persons with disabilities and our handling and use of data, including personal data, that we collect. We could face liabilities for failure to comply with these requirements. Privacy laws and regulations, such as the California Consumer Privacy Act as amended by the California Privacy Rights Act, the Colorado Privacy Act, the Texas Data Privacy and Security Act, related regulations and other U.S. state privacy laws, are evolving and may be subject to differing interpretations. We could incur costs to comply with stricter and more complex data privacy, data collection and information security laws and standards.

Any material weaknesses identified in our internal control over financial reporting could have an impact on our Company. Section 404 of the Sarbanes-Oxley Act of 2002 requires us to evaluate and report on our internal control over financial reporting. One or more material weaknesses in our internal control over financial reporting could result in misstatements of our results of operations and related restatements, a decline in the price/value of our securities, or otherwise materially adversely affect our business, reputation, results of operations, financial condition or liquidity.

Our success depends on key personnel whose continued service is not guaranteed. Our success depends in part on our ability to attract and retain the services of executive officers and other personnel. There is substantial competition for qualified personnel in the real estate industry, and the loss of our key personnel could adversely affect us.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We have implemented and maintain a risk management framework designed to identify, assess, and mitigate risks from cybersecurity threats. We assess our cybersecurity program ("CSP"), as part of our enterprise risk management program, against the National Institute of Standards and Technology's Cybersecurity Framework ("NIST CSF") and also use as a model the Center for Internet Security ("CIS") control framework's Implementation Group 2 ("IG2"). We perform annual assessments against NIST CSF benchmarks and focus on continuous improvement over those criteria. We use a list of factors based on business risk tolerance and external compliance requirements to determine if a business asset, data, system, process, or service provider should be included within the scope of the CSP. Prior to contracting with an outside vendor that hosts our data, such as Company information, or PII of our associates or residents, or that integrates with our systems, our policy is to conduct a cybersecurity risk assessment, which includes, as appropriate, a due diligence questionnaire completed by the vendor, a System and Organization Controls 1 ("SOC1") report from major vendors and a review of the vendor's scope of access to our IT systems and data.

We utilize third-party service providers to enhance our CSP, including engaging them annually to assess our CSP against the NIST CSF. We use one or more third-party managed security solution providers, who provide us with threat intelligence information and managed threat detection and response capabilities. We have also engaged a third party to assist with associate cybersecurity training. Additionally, we have engaged outside breach response legal counsel to assist the Company with cybersecurity counseling and incident response.

Although we have not experienced any material cybersecurity incidents, a future incident could materially affect us. We rely on information technology to process, transmit and store electronic information, and to manage or support a variety of business processes, including financial transactions, PII, and resident and lease data. Our business requires us and some of our vendors to use and store PII and other confidential and sensitive information of our residents and associates. Any failure in or breach of our operational or information security systems or those of our vendors as a result of cyber-attacks or other security incidents could materially adversely impact our operations and financial position, including disruption of our operations caused by an inability to access network systems, disclosure or misuse of confidential or proprietary information (including PII of our residents and/or associates), damage to our reputation, and/or potentially significant legal and/or financial liabilities and penalties.

You should carefully review Part I, Item 1A. "Risk Factors" of this Form 10-K for a discussion of the risks to the Company related to cybersecurity.

Governance

Our cybersecurity team is led by our Senior Director of Cybersecurity, who has over 15 years of experience with IT and cybersecurity. The cybersecurity team reports to our Senior Vice President-Chief Digital Officer. The Senior Director of Cybersecurity and the Senior Vice President-Chief Digital Officer are part of, and work with, a management Cybersecurity Steering Committee ("CSC"), which meets regularly. The CSC works to ensure strategic alignment of the CSP with our business objectives and priorities. The CSC is chaired by the Senior Director of Cybersecurity and is composed of our Chief Financial Officer, Chief Operating Officer, General Counsel and senior members of our finance, legal, IT, risk management and internal audit teams. The Company has designated an incident response team and defined criteria to guide responses to cybersecurity incidents.

The Audit Committee of our Board of Directors provides Board-level oversight of risks from cybersecurity threats. In addition to providing periodic reports, at least annually the Senior Director of Cybersecurity and the Senior Vice President-Chief Digital Officer meet with the Audit Committee regarding cybersecurity risks and assessments and related Company policies and initiatives. The Audit Committee and management have adopted a policy that categorizes cybersecurity incidents and sets out incident escalation procedures to the full Board of Directors.

ITEM 2. PROPERTIES

Our real estate investments consist primarily of current apartment operating communities ("Current Communities"), consolidated and unconsolidated communities in various stages of development ("Development" communities and "Unconsolidated Development" communities) and Development Rights (as defined below). Our Current Communities are further classified as Same Store communities, Other Stabilized communities, Redevelopment communities and Unconsolidated communities. While we generally establish the classification of communities on an annual basis, we update the classification of communities during the calendar year to the extent that our plans with regard to the disposition or redevelopment of a community change, or if something occurs that materially impacts the operations of a community such as a casualty loss. The following is a description of each category:

Current Communities are categorized as Same Store, Other Stabilized, Redevelopment or Unconsolidated according to the following attributes:

- *Same Store* is composed of consolidated communities where a comparison of operating results from the prior year to the current year is meaningful as these communities were owned and had stabilized occupancy as of the beginning of the respective prior year. For the year ended December 31, 2025, Same Store communities are consolidated for financial reporting purposes, had stabilized occupancy as of January 1, 2024, are not conducting or expected to conduct substantial redevelopment activities and are not held for sale as of December 31, 2025. A community is considered to have stabilized occupancy at the earlier of (i) attainment of 90% physical occupancy or (ii) the one year anniversary of completion of development or redevelopment.
- *Other Stabilized* is composed of completed consolidated communities that we own and that are not Same Store but which have stabilized occupancy, as defined above, as of January 1, 2025, or which were acquired subsequent to January 1, 2024. Other Stabilized excludes communities that are conducting or conducted substantial redevelopment activities within the current year, as defined below.
- *Redevelopment* is composed of consolidated communities where substantial redevelopment occurred or is in progress. Redevelopment is considered substantial when (i) capital invested is expected to exceed the lesser of \$5,000,000 or 10% of the community's pre-redevelopment basis and (ii) physical occupancy is below or is expected to be below 90% during, or as a result of, the redevelopment activity.
- *Unconsolidated* is composed of communities that we have an indirect ownership interest in through our investment interest in an unconsolidated joint venture.

Development is composed of consolidated communities that are either currently under construction, were under construction and were completed during the current year or where construction has been complete for less than one year and that do not have stabilized occupancy. These communities may be partially or fully complete and operating.

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

We currently lease our corporate headquarters located in Arlington, Virginia, as well as our other regional and administrative offices, under operating leases.

As of December 31, 2025, communities that we owned or held a direct or indirect interest in were classified as follows:

	Number of communities	Number of apartment homes
Current Communities		
Same Store:		
New England	38	9,535
Metro NY/NJ	39	12,236
Mid-Atlantic	38	13,714
Southeast Florida	8	2,837
Denver, CO	6	1,539
Pacific Northwest	17	4,943
Northern California	38	11,807
Southern California	58	17,798
Other Expansion Regions	9	2,512
Total Same Store	251	76,921
Other Stabilized:		
New England	1	162
Metro NY/NJ	3	966
Mid-Atlantic	1	234
Southeast Florida	2	524
Denver, CO	2	653
Pacific Northwest	4	1,049
Northern California	2	742
Southern California	1	100
Other Expansion Regions	13	3,756
Total Other Stabilized	29	8,186
Redevelopment	—	—
Unconsolidated	8	2,394
Total Current	288	87,501
Development	32	11,193
Unconsolidated Development	—	—
Total Communities	320	98,694
Development Rights	32	9,032

Our holdings under each of the above categories are discussed on the following pages.

We generally establish the composition of our Same Store communities portfolio annually. Changes in the Same Store communities portfolios for the years ended December 31, 2025, 2024 and 2023 were as follows:

	Number of communities
Same Store communities as of December 31, 2022	235
Communities added	21
Communities removed (1)	
Redevelopment communities	—
Disposed communities	(4)
Same Store communities as of December 31, 2023	252
Communities added	10
Communities removed (1)	
Redevelopment communities	—
Disposed communities	(9)
Same Store communities as of December 31, 2024	253
Communities added	9
Communities removed (1)	
Redevelopment communities	—
Disposed communities	(11)
Same Store communities as of December 31, 2025	251

(1) Communities were removed from our Same Store portfolio if we believed that planned activity for the upcoming year would result in that community's expected operations not being comparable to the prior year, including (i) when we intended to undertake a significant capital renovation, such that the community was classified as a Redevelopment community; (ii) when we intended to dispose of a community; or (iii) when a significant casualty loss occurred.

Current Communities

Our Current Communities include garden-style apartment communities consisting of multi-story buildings of stacked flats and/or townhome apartments in landscaped settings, as well as mid and high rise apartment communities consisting of larger elevator-served buildings of four or more stories, frequently with structured parking. As of January 31, 2026, our Current Communities consisted of the following:

	Number of communities	Number of apartment homes
Garden-style	145	45,436
Mid-rise	123	36,263
High-rise	24	7,069
Total Current Communities	292	88,768

As discussed in Item 1. "Business," we operate under four core brands: *Avalon*, *AVA*, *eaves by Avalon* and *Kanso*. We believe that this branding differentiation allows us to target our product offerings to multiple customer groups and submarkets within our existing geographic footprint.

We also have an extensive and ongoing maintenance program to continually maintain and enhance our communities and apartment homes. The aesthetic appeal of our communities, and a service-oriented property management team that is focused on the specific needs of residents, enhances market appeal. We believe our mission of "Creating a Better Way to Live" helps us achieve higher rental rates and occupancy levels while minimizing resident turnover and operating expenses.

Our Current Communities are located in the following geographic markets:

	Number of communities at		Number of apartment homes at		Percentage of total apartment homes at	
	1/31/2025	1/31/2026	1/31/2025	1/31/2026	1/31/2025	1/31/2026
New England	39	39	9,697	9,697	11.3 %	10.9 %
Metro NY/NJ	50	49	15,089	15,052	17.5 %	16.9 %
New York City, NY	14	13	5,089	4,909	5.9 %	5.5 %
New York Suburban	14	14	4,216	4,216	4.9 %	4.7 %
New Jersey	22	22	5,784	5,927	6.7 %	6.7 %
Mid-Atlantic	44	40	15,501	14,253	18.0 %	16.0 %
Washington Metro	35	31	12,347	11,099	14.3 %	12.4 %
Baltimore, MD	9	9	3,154	3,154	3.7 %	3.6 %
Southeast Florida	9	10	3,091	3,361	3.6 %	3.8 %
Denver, Colorado	8	10	2,192	2,808	2.5 %	3.2 %
Pacific Northwest	21	21	6,118	5,992	7.1 %	6.8 %
Northern California	41	40	12,857	12,627	14.9 %	14.2 %
San Jose, CA	12	12	4,727	4,729	5.5 %	5.3 %
Oakland-East Bay, CA	15	15	4,743	4,753	5.5 %	5.4 %
San Francisco, CA	14	13	3,387	3,145	3.9 %	3.5 %
Southern California	60	60	18,366	18,374	21.4 %	20.7 %
Los Angeles, CA	39	39	12,475	12,481	14.5 %	14.1 %
Orange County, CA	13	13	4,024	4,024	4.7 %	4.5 %
San Diego, CA	8	8	1,867	1,869	2.2 %	2.1 %
Other Expansion Regions	12	23	3,200	6,604	3.7 %	7.5 %
North Carolina	6	9	1,225	1,928	1.4 %	2.2 %
Texas	6	14	1,975	4,676	2.3 %	5.3 %
	<u>284</u>	<u>292</u>	<u>86,111</u>	<u>88,768</u>	<u>100.0 %</u>	<u>100.0 %</u>

We manage and operate substantially all of our Current Communities. During the year ended December 31, 2025, we completed construction of four communities containing 1,320 apartment homes, acquired 12 wholly-owned communities containing 3,378 apartment homes and sold nine operating communities containing 2,102 apartment homes. In addition, during the year ended December 31, 2025, we acquired our joint venture partner's 50% interest in Avalon Alderwood Place, a 328 apartment home community in Lynnwood, WA. With the buyout of the joint venture partner's interest, Avalon Alderwood Place is now a wholly owned apartment community and consolidated for financial reporting purposes.

Of the Current Communities, as of January 31, 2026, we owned (directly or through wholly-owned subsidiaries):

- 275 operating communities, including 268 with a full fee simple or absolute ownership interest, and seven that are on land subject to a land lease. The land leases have various expiration dates from July 2046 to April 2106, and three of the land leases are used to support tax advantaged structures that ultimately allow us to purchase the land upon lease expiration. The Company has purchase options for all land leases expiring prior to 2062.
- Eight operating communities held by unconsolidated entities in which we hold an ownership interest, including a membership interest in four unconsolidated limited liability companies. One of the ventures, NYTA MF Investors LLC, through subsidiaries owns a fee simple interest in three operating communities and a leasehold interest in two additional operating communities. The other three ventures each hold a fee simple interest in an operating community.

- A general partnership interest in one partnership structured as a “DownREIT,” which is consolidated and owns nine communities. In this partnership, one of our wholly-owned subsidiaries is the general partner. The units representing limited partner interests in the DownREIT (“DownREIT Units”) are entitled to receive distributions at the same rate as dividends on a share of the Company’s common stock. Beginning on April 30, 2026, holders of DownREIT Units may present some or all of their units for redemption, being entitled to receive a cash amount per unit that is related to the then fair market value of the Company’s common stock, except that in lieu of such cash redemption the Company may elect to redeem units in exchange for an equal number of shares of the Company’s common stock. At January 31, 2026, there were 1,059,995 DownREIT Units outstanding.

Development Communities

As of December 31, 2025, we owned or held a direct interest in 24 Development Communities under construction. We hold, directly or through wholly-owned subsidiaries, a full fee simple ownership interest in all of our wholly-owned Development Communities, with the exception of one Development Community in which we own a leasehold interest. We expect these Development Communities, when completed, to add a total of 8,572 apartment homes and 69,000 square feet of commercial space to our portfolio for an estimated total capitalized cost, including land acquisition costs, of approximately \$3,307,000,000. We cannot assure you that we will meet our schedule for construction completion or that we will meet our budgeted costs, either individually, or in the aggregate. You should carefully review Item 1A. "Risk Factors" for a discussion of the risks associated with development activity and our discussion under Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" (including the factors identified under "Forward-Looking Statements") for further discussion of development activity.

The following table presents a summary of the Development Communities under construction.

		Number of apartment homes	Projected total capitalized cost (1) (\$ millions)	Construction start	Initial projected or actual occupancy	Estimated completion	Estimated stabilized operations (2)
1.	Avalon West Windsor (3) West Windsor, NJ	535	\$ 210	Q2 2022	Q3 2025	Q4 2026	Q2 2027
2.	Avalon Lake Norman (4) Mooresville, NC	345	102	Q1 2023	Q2 2025	Q1 2026	Q4 2026
3.	Avalon Wayne Wayne, NJ	473	171	Q4 2023	Q2 2025	Q3 2026	Q1 2027
4.	Avalon Parsippany Parsippany, NJ	410	147	Q4 2023	Q3 2025	Q2 2026	Q1 2027
5.	Avalon Pleasanton (5) Pleasanton, CA	362	218	Q2 2024	Q3 2025	Q3 2027	Q1 2028
6.	Avalon at Becker Farm Roseland, NJ	533	192	Q2 2024	Q4 2025	Q4 2026	Q2 2027
7.	Avalon Quincy Adams Quincy, MA	288	122	Q2 2024	Q1 2026	Q3 2026	Q2 2027
8.	Avalon Tech Ridge I (6) Austin, TX	544	153	Q3 2024	Q1 2026	Q2 2027	Q4 2027
9.	Avalon Carmel (4) Charlotte, NC	360	123	Q3 2024	Q2 2026	Q4 2026	Q3 2027
10.	Avalon Plano (4) Plano, TX	155	58	Q3 2024	Q3 2026	Q2 2027	Q4 2027
11.	Avalon Oakridge I Durham, NC	459	149	Q3 2024	Q1 2027	Q1 2028	Q3 2028
12.	AVA Brewer's Hill Baltimore, MD	418	134	Q4 2024	Q4 2026	Q4 2027	Q1 2028
13.	Kanso Hillcrest San Diego, CA	182	85	Q4 2024	Q1 2027	Q2 2027	Q4 2027
14.	Avalon Parker Parker, CO	312	122	Q1 2025	Q3 2026	Q2 2027	Q1 2028
15.	Avalon North Palm Beach (3) Lake Park, FL	279	118	Q1 2025	Q1 2027	Q3 2027	Q1 2028
16.	Avalon Brier Creek Durham, NC	400	127	Q2 2025	Q3 2026	Q3 2027	Q1 2028
17.	Avalon Kendall (4) Kendall, FL	224	83	Q2 2025	Q4 2026	Q1 2027	Q4 2027
18.	Avalon Mission Valley (3) San Diego, CA	621	302	Q3 2025	Q1 2028	Q1 2029	Q3 2029
19.	Avalon Southpoint (4) Durham, NC	394	132	Q3 2025	Q4 2026	Q2 2028	Q3 2028
20.	Avalon Northwest Hills Austin, TX	252	87	Q4 2025	Q3 2027	Q1 2028	Q3 2028
21.	Kanso Parsippany Parsippany, NJ	280	104	Q4 2025	Q2 2027	Q4 2027	Q3 2028
22.	Avalon Billerica Billerica, MA	200	73	Q4 2025	Q2 2027	Q4 2027	Q3 2028
23.	Avalon Townhome Collection Arundel Mills (4) Hanover, MD	90	45	Q4 2025	Q4 2026	Q4 2026	Q4 2027
24.	Avalon San Ramon San Ramon, CA	456	250	Q4 2025	Q3 2027	Q3 2028	Q1 2029
	Total	8,572	\$ 3,307				

- Projected total capitalized cost includes all capitalized costs projected to be or actually incurred to develop the respective Development Community, determined in accordance with GAAP, including land acquisition costs, construction costs, real estate taxes, capitalized interest and loan fees, permits, professional fees, allocated development overhead and other regulatory fees, as well as costs incurred for first generation commercial tenants such as tenant improvements and leasing commissions.
- Stabilized operations is defined as the earlier of (i) attainment of 90% or greater physical occupancy or (ii) the one-year anniversary of completion of development.
- Development communities containing at least 10,000 square feet of commercial space include Avalon West Windsor (19,000 sf), Avalon North Palm Beach (10,000 sf), and Avalon Mission Valley (31,000 sf).

- (4) Communities being developed through our Developer Funding Program ("DFP"). The DFP utilizes third-party multifamily developers to source and construct communities which we own and operate.
- (5) During the year ended December 31, 2025, the Company expanded the Avalon Pleasanton development in Pleasanton, CA, adding an additional 280 apartment homes, and increasing the total estimated capitalized costs by \$160,000,000.
- (6) During the year ended December 31, 2025, the Company expanded the Avalon Tech Ridge I development in Austin, TX, adding an additional 100 rental townhomes, and increasing the total estimated capitalized costs by \$33,000,000.

During the year ended December 31, 2025, we completed the development of the following wholly-owned communities:

	Number of apartment homes	Total capitalized cost (1) (\$ millions)	Approximate rentable area (sq. ft.)	Total capitalized cost per sq. ft.	Quarter of completion
1. Avalon Princeton on Harrison Princeton, NJ	200	\$ 79	190,000	\$ 416	Q2 2025
2. Avalon Annapolis Annapolis, MD	508	195	437,000	\$ 446	Q3 2025
3. Avalon Hunt Valley West Hunt Valley, MD	322	102	309,000	\$ 330	Q4 2025
4. Avalon South Miami (2) South Miami, FL	290	185	295,000	\$ 627	Q4 2025
Total	1,320	\$ 561			

- (1) Total capitalized cost is as of December 31, 2025. We generally anticipate incurring additional costs associated with these communities which are customary for new developments.
- (2) Avalon South Miami includes 32,000 square feet of commercial space.

Unconsolidated Operating Communities

As of December 31, 2025, we had investments in the following unconsolidated real estate entities accounted for under the equity method of accounting. See Note 5, "Investments," of the Consolidated Financial Statements included elsewhere in this report. For joint ventures holding operating apartment communities as of December 31, 2025, detail of the real estate and associated indebtedness underlying our unconsolidated investments is presented in the following table (dollars in thousands).

Unconsolidated Real Estate Investments	Company Ownership Percentage	# of Apartment Homes	Total Capitalized Cost	Debt (1)			
				Principal Amount	Type	Interest Rate	Maturity Date
NYTA MF Investors LLC							
1. Avalon Bowery Place I—New York, NY		206	\$ 218,563	\$ 93,800	Fixed	4.01 %	Jan 2029
2. Avalon Bowery Place II—New York, NY		90	91,788	39,639	Fixed	4.01 %	Jan 2029
3. Avalon Morningside—New York, NY (2)		295	217,301	111,295	Fixed	3.55 %	Jan 2029/ May 2046
4. Avalon West Chelsea—New York, NY (3)		305	130,721	66,000	Fixed	4.01 %	Jan 2029
5. AVA High Line—New York, NY (3)		405	123,313	84,000	Fixed	4.01 %	Jan 2029
Total NYTA MF Investors LLC	20.0 %	1,301	781,686	394,734		3.88 %	
Other Operating Joint Ventures (7)							
1. MVP I, LLC - Avalon at Mission Bay II - San Francisco, CA (4)	25.0 %	313	130,719	—	—	—	—
2. Brandywine Apartments of Maryland, LLC - Brandywine - Washington, D.C.	28.6 %	305	20,093	17,651	Fixed	3.40 %	Jun 2028
3. Arts District Joint Venture - AVA Arts District - Los Angeles, CA (5)	25.0 %	475	288,475	162,104	Variable	6.57 %	Jul 2028
Total Other Joint Ventures		1,093	439,287	179,755		6.26 %	
Total Unconsolidated Real Estate Investments (6)		2,394	\$ 1,220,973	\$ 574,489		4.62 %	

-
- (1) We have not guaranteed the debt of these unconsolidated investees and bear no responsibility for the repayment other than for the Arts District joint venture as discussed below in footnote 5.
 - (2) Borrowing on this community is comprised of two mortgage loans. The interest rate is the weighted average interest rate as of December 31, 2025.
 - (3) Borrowing on this dual-branded community is comprised of a single mortgage loan. This dual-branded community is subject to a leasehold interest which is not included in the total capitalized cost.
 - (4) In July 2025, MVP I, LLC repaid \$103,000 of outstanding secured indebtedness at par upon maturity. The equity investors contributed capital in proportion to their ownership interests to repay the outstanding loan.
 - (5) AVA Arts District completed development during the year ended December 31, 2024 and achieved stabilized residential operations. In June 2025, the joint venture secured a variable rate loan with a maturity date of July 2028 and used the proceeds to repay the previously existing \$158,735 variable rate construction loan which was scheduled to mature in August 2025. The outstanding borrowing is subject to an interest rate cap, which will limit the interest rate to 8.2%, based on the current borrowing spread. While we guarantee 25% of the new loan, any amounts payable under the guarantee are obligations of the joint venture partners in proportion to their ownership interest.
 - (6) In addition to leasehold assets, there were net other assets of \$38,961 as of December 31, 2025 associated with our unconsolidated real estate investments which are primarily cash and cash equivalents.
 - (7) During the year ended December 31, 2025, the Company acquired its joint venture partner's 50% interest in Avalon Alderwood Place which is now a wholly owned apartment community and consolidated for financial reporting purposes.

Development Rights

At December 31, 2025, we had \$123,751,000 in acquisition and related capitalized costs for direct interests in seven land parcels we own and intend to develop. In addition, we had \$73,237,000 in capitalized costs (including legal fees, design fees and related overhead costs) related to pursuits probable of future development including (i) 20 Development Rights for which we control the land parcel, typically through a conditional agreement or option to purchase or lease the land, as well as (ii) costs incurred for five Development Rights that we expect to construct as additional phases of our existing stabilized operating communities on land we own. Collectively, the land held for development and associated costs for deferred Development Rights relate to 32 Development Rights for which we expect to develop new apartment communities in the future. The Development Rights range from those beginning design and architectural planning to those that have completed site plans and drawings and can begin construction almost immediately. We estimate that the successful completion of all of these communities would ultimately add approximately 9,032 apartment homes to our portfolio. Substantially all of these apartment homes will offer features like those offered by the communities we currently own.

The Development Rights are in different stages of the due diligence and regulatory approval process. The decisions as to which of the Development Rights to invest in, if any, or to continue to pursue once an investment in a Development Right is made, are business judgments that we make after we perform financial, demographic and other analyses. In the event that we do not proceed with a Development Right, we generally would not recover any of the capitalized costs incurred in the pursuit of those communities, unless we were to recover amounts in connection with the sale of land; however, we cannot guarantee a recovery. Pre-development costs incurred in the pursuit of Development Rights for which future development is not yet considered probable are expensed as incurred. In addition, if the status of a Development Right changes, making future development no longer probable, any unrecoverable capitalized pre-development costs are charged to expense. During 2025, we incurred a charge of \$10,846,000 for expensed transaction, development and other pursuit costs, net of recoveries, which include development pursuits that were not yet probable of future development at the time incurred, or for pursuits that we determined were no longer probable of being developed. The amount for 2025 includes a write-off of \$3,668,000 related to one development opportunity that we determined is no longer probable.

You should carefully review Item 1A. "Risk Factors," for a discussion of the risks associated with Development Rights.

Land Acquisitions

We select land for development and follow established procedures that we believe minimize both the cost and the risks of development. During 2025, we acquired the following land parcels for an aggregate investment of \$161,959,000.

		Estimated number of apartment homes	Projected total capitalized cost (1) (\$ millions)	Date acquired
1.	Avalon Kendall (2) (3) Kendall, FL	224	\$ 83	March 2025
2.	Avalon Northwest Hills (2) Austin, TX	252	87	June 2025
3.	Avalon Southpoint (2) (3) Durham, NC	394	132	June 2025
4.	Avalon Cary Cary, NC	281	98	August 2025
5.	Avalon Billerica (2) Billerica, MA	200	73	August 2025
6.	Avalon Townhomes at Arundel Mills (2) (3) Hanover, MD	90	45	September 2025
7.	Kanso Parsippany (2) Parsippany, NJ	280	104	October 2025
8.	Avalon Dulles Innovation Herndon, VA	355	120	December 2025
9.	Avalon San Ramon (2) San Ramon, CA	456	250	December 2025
10.	Kanso Coral Way Miami, FL	165	81	December 2025
11.	Avalon Somerville Station II Somerville, NJ	171	65	December 2025
	Total	2,868	\$ 1,138	

- (1) Projected total capitalized cost includes all capitalized costs incurred to date (if any) and projected to be incurred to develop the respective community, determined in accordance with GAAP, including land and related acquisition costs, construction costs, real estate taxes, capitalized interest and loan fees, permits, professional fees, allocated development overhead and other regulatory fees, as well as costs incurred for first generation commercial tenants such as tenant improvements and leasing commissions, net of projected proceeds for any planned sales of associated outparcels and other real estate.
- (2) Communities are currently under construction.
- (3) Community is being developed through our DFP.

Acquisition & Disposition Activity

We buy and sell assets based on our long-term investment criteria and target portfolio allocation. We also dispose of assets when capital and real estate markets allow us to realize a portion of the value created over our ownership periods, and we generally redeploy the proceeds from those sales to develop, redevelop and acquire communities. Pending such redeployment, we will generally use the proceeds from the sale of these communities to reduce amounts outstanding under our Credit Facility or Commercial Paper Program, repay other indebtedness, or retain the cash proceeds on our balance sheet until they are redeployed into acquisition, development or redevelopment activity. At times, we will set aside the proceeds from the sale of communities into a cash escrow account to facilitate a tax-deferred, like-kind exchange transaction. From January 1, 2025 to January 31, 2026, (i) we acquired 12 wholly-owned communities containing 3,378 apartment homes for an aggregate purchase price of \$826,029,000, (ii) we acquired our joint venture partner's 50% interest in Avalon Alderwood Place, a 328 apartment home community in Lynnwood, WA for a purchase price of \$71,250,000 and (iii) we sold our interest in ten wholly-owned communities, containing 2,345 apartment homes, with an aggregate gross sales price of \$916,680,000.

Insurance and Risk of Uninsured Losses

We maintain commercial general liability insurance and property insurance with respect to all of our communities, with insurance policies issued by a combination of third-party insurers as well as a wholly-owned captive insurance company. These policies, along with other insurance policies we maintain, have policy specifications, insured and self-insured limits, exclusions and deductibles that we consider commercially reasonable. We utilize a wholly-owned captive insurance company to insure certain types and amounts of risks, which include property damage and resulting business interruption losses, general liability insurance and other construction related liability risks. The captive is utilized to insure other limited levels of risk, which may be in part reinsured by third-party insurance. There are, however, certain types of losses (including, but not limited to, losses arising from nuclear liability, pandemic or acts of war) that are not insured, in full or in part, because they are either uninsurable or the cost of insurance makes it, in management's view, economically impractical. You should carefully review the discussion under Part I, Item 1A. "Risk Factors" of this Form 10-K for a discussion of risks associated with an uninsured property or casualty loss.

Our communities are insured for certain property damage and business interruption losses through a combination of community specific insurance policies and/or a master property insurance program which covers the majority of our communities. This master property program provides a \$400,000,000 limit for any single occurrence, subject to certain aggregate sub-limits, per occurrence sub-limits, and exclusions. Under the master property program, we are subject to various deductibles per occurrence, as well as additional self-insured retentions. In addition to our potential liability for the various policy self-insured retentions and deductibles, our captive insurance company is directly responsible for 100% of the first \$25,000,000 of losses (per occurrence) excess of deductibles and an additional \$5,000,000 of losses (per occurrence) incurred by the master property insurance policy excess of \$25,000,000. Our master property insurance program includes coverage for losses resulting from customary perils, including but not limited to wildfires and windstorms. Limits, deductibles, self-insured retentions and coverages may increase or decrease annually during the insurance renewal process, which occurs on different dates throughout the calendar year.

Many of our West Coast communities are located within the general vicinity of active earthquake faults. Many of our communities are near, and thus susceptible to, the major fault lines in California, including the San Andreas Fault, the Hayward Fault or other geological faults that are known or unknown. We cannot assure you that an earthquake would not cause damage or losses greater than our current insured levels. We procure property damage and resulting business interruption insurance coverage with a loss limit of \$175,000,000 for any single occurrence and in the annual aggregate for losses resulting from earthquakes, subject to deductibles and self-insured retentions. However, for any losses resulting from earthquakes at communities located in California or Washington, the loss limit is \$200,000,000 for any single occurrence and in the annual aggregate, subject to deductibles and self-insured retentions. A portion of coverage is included in the aforementioned self-insurance limits underwritten through the captive.

Our Southeast Florida communities could be impacted by significant storm events like hurricanes. We include coverage for losses arising from these types of weather events within our master property insurance program. We cannot assure you that a significant storm event would not cause damage or losses greater than our current insured levels.

Our communities and construction sites are insured for third-party liability losses through a combination of community specific insurance policies and/or coverage provided under a master commercial general liability and umbrella/excess insurance program. The master commercial general liability and umbrella/excess insurance policies cover the majority of our communities and construction sites and are subject to certain coverage limitations and exclusions, which we believe are commercially reasonable. After applicable self-insured retentions borne by us, our captive insurance company is directly responsible for the first \$2,000,000 of losses (per occurrence) covered by the master general liability insurance policy.

Just as with office buildings, transportation systems and government buildings, apartment communities could become targets of terrorism. Our communities are insured for terrorism related losses through the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") program. This coverage extends to most of our casualty exposures (subject to deductibles and insured limits). We have also purchased private-market insurance for property damage due to terrorism with limits of \$600,000,000 per occurrence and in the annual aggregate that includes certain coverages (not covered under TRIPRA) such as domestic-based terrorism. This insurance, often referred to as "non-certified" terrorism insurance, is subject to deductibles, limits and exclusions.

An additional consideration for insurance coverage and potential uninsured losses is mold growth or other environmental contamination. Mold growth may occur when excessive moisture accumulates in buildings or on building materials, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. If a significant mold problem arises at one of our communities, we could be required to undertake a costly remediation program to contain or remove the mold from

the affected community and could be exposed to other liabilities. For further discussion of the risks and our related prevention and remediation activities, please refer to the discussion under Part I, Item 1A. "Risk Factors - We may incur costs due to environmental contamination or non-compliance" elsewhere in this report. We cannot provide assurance that we will have coverage under our existing policies for property damage or liability to third parties arising from exposure to mold or a claim of exposure to mold at one of our communities.

We also maintain other insurance programs that provide coverage for events including but not limited to employee dishonesty, loss of data, and liability associated with management of certain employee benefit plans. These policies are subject to maximum loss limits and include coverage limitations or exclusions that may preclude us from fully recovering.

The amount or types of insurance we maintain may not be sufficient to cover all losses and we may change our policy limits, coverages, and self-insured retentions or deductibles at any time.

ITEM 3. LEGAL PROCEEDINGS

As disclosed in Note 7, "Commitments and Contingencies" of the Consolidated Financial Statements in Item 8 of this report, we are engaged in certain legal proceedings, and the disclosure set forth in Note 7, "Commitments and Contingencies" relating to legal and other contingencies is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the NYSE under the ticker symbol AVB. On January 30, 2026, there were 637 holders of record of an aggregate of 140,083,473 shares of our outstanding common stock. The number of holders does not include individuals or entities who beneficially own shares but whose shares are held of record by a broker or clearing agency, but does include each such broker or clearing agency as one record holder.

At present, we expect to continue our policy of paying regular quarterly cash dividends. However, the form, timing and/or amount of dividend distributions will be declared at the discretion of the Board of Directors and will depend on actual cash from operations, our financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code and other factors as the Board of Directors may consider relevant. The Board of Directors may modify our dividend policy from time to time.

In February 2026, we announced that our Board of Directors declared a dividend on our common stock for the first quarter of 2026 of \$1.78 per share, a 1.7% increase over the Company's prior quarterly dividend of \$1.75 per share. The dividend will be payable on April 15, 2026 to all common stockholders of record as of March 31, 2026.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plans or Programs (in thousands) (2) (3)
October 1 - October 31, 2025	408	\$ 190.92	—	\$ 500,000
November 1 - November 30, 2025	1,379,896	\$ 176.93	1,379,789	\$ 255,879
December 1 - December 31, 2025	512,483	\$ 179.85	512,133	\$ 163,769
Total	<u>1,892,787</u>	<u>\$ 177.72</u>	<u>1,891,922</u>	

- (1) Consists of (i) shares surrendered to the Company in connection with exercise of stock options as payment of the exercise price, as well as for taxes associated with the vesting of restricted share grants and the conversion of performance awards to shares of common stock and (ii) shares repurchased under the 2025 Stock Repurchase Program, if any, as indicated under "Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs."
- (2) On October 28, 2025, the Company terminated its then-existing stock repurchase program (the "2020 Stock Repurchase Program"), approved in July 2020, under which the Company had remaining authority at such time to acquire shares of its common stock in open market or negotiated transactions up to an aggregate purchase price of \$500,000,000, and adopted a new stock repurchase program (the "2025 Stock Repurchase Program"), under which the Company was authorized to acquire shares of its common stock in open market or negotiated transactions up to an aggregate purchase price of \$500,000,000. The 2025 Stock Repurchase Program did not have an expiration date. All share purchases made as part of publicly announced plans or programs in the fourth quarter of 2025 were made pursuant to the 2025 Stock Repurchase Program.
- (3) Represents remaining repurchase authority as of the indicated month end under the 2025 Stock Repurchase Program. From January 1, 2026 through February 26, 2026, the Company repurchased 637,958 shares of common stock at an average price of \$176.85 per share, including fees, for a total of \$112,824,000 of the \$163,769,000 of capacity remaining under the 2025 Stock Repurchase Program as of January 1, 2026. On February 26, 2026, the Company terminated the 2025 Stock Repurchase Program and adopted a new stock repurchase program under which the Company may acquire shares of its common stock in open market or negotiated transactions up to an aggregate purchase price of \$1,000,000,000 (the "2026 Stock Repurchase Program"). Purchases of common stock under the 2026 Stock Repurchase Program may occur from time to time at the Company's discretion. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements, market conditions and other corporate liquidity requirements and priorities. The 2026 Stock Repurchase Program has no expiration date and may be suspended or terminated at any time without prior notice.

Information regarding securities authorized for issuance under equity compensation plans is included in the section entitled Item 12. "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" in this Form 10-K.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help provide an understanding of our business, financial condition and results of operations. This MD&A should be read in conjunction with our Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements included elsewhere in this report. This report, including the following MD&A, contains forward-looking statements regarding future events or trends that should be read in conjunction with the factors described under "Forward-Looking Statements" included in this report. Actual results or developments could differ materially from those projected in such statements as a result of the factors described under "Forward-Looking Statements" as well as the risk factors described in Part I, Item 1A. "Risk Factors" of this report.

Capitalized terms used without definition have the meanings provided elsewhere in this Form 10-K.

Executive Overview

2025 Financial Highlights

Net income attributable to common stockholders for the year ended December 31, 2025 was \$1,051,301,000, a decrease of \$30,693,000, or 2.8%, from the prior year. The decrease was primarily attributable to an increase in depreciation expense from newly acquired or developed communities, a decrease in gains from real estate sales and increased interest expense, net over the prior year due to decreased interest income resulting from lower cash amounts invested at lower rates, increased commercial paper outstanding and increased effective interest expense for our unsecured indebtedness. These decreases were partially offset by increases in NOI from communities over the prior year.

Same Store NOI attributable to our apartment rental operations, including parking and other ancillary residential ("Residential") revenue, for the year ended December 31, 2025 was \$1,860,407,000, an increase of \$34,598,000, or 1.9%, over the prior year. The increase was due to an increase in Residential revenue of \$66,107,000, or 2.5%, partially offset by an increase in Residential property operating expenses of \$31,509,000, or 3.8%, over 2024.

During 2025, excluding the equity capital raised through forward sales of our common shares not yet settled, we raised approximately \$2,253,402,000 of gross capital through the sale of wholly-owned real estate, the issuance of unsecured notes, the settlement of outstanding equity forward contracts entered into in 2024 and borrowings under a variable rate term loan (the "Term Loan"). We believe that our current capital structure will continue to provide financial flexibility to access capital on attractive terms.

We believe our portfolio management activity through dispositions, development and acquisitions will continue to create long-term value. During 2025, we:

- sold nine wholly-owned communities containing an aggregate of 2,102 apartment homes and 38,000 square feet of commercial space for \$811,680,000;
- completed the construction of four wholly-owned communities containing an aggregate of 1,320 apartment homes and 32,000 square feet of commercial space for an aggregate total capitalized cost of \$561,000,000;
- started the construction of eleven wholly-owned communities and expanded the development of two existing communities. These communities, including the expansions, are expected to contain an aggregate of 3,888 apartment homes when completed for an estimated total capitalized cost of \$1,636,000,000;
- acquired 12 wholly-owned communities containing an aggregate of 3,378 apartment homes for an aggregate purchase price of \$826,029,000; and
- acquired our joint venture partner's 50% interest in Avalon Alderwood Place, a 328 apartment home community in Lynnwood, WA, for a purchase price of \$71,250,000. With the buyout of the joint venture partner's interest, Avalon Alderwood Place is now a wholly owned apartment community and consolidated for financial reporting purposes.

During 2025, we i) issued \$800,000,000 principal amount of fixed rate unsecured notes, ii) repaid \$825,000,000 principal amount of fixed rate unsecured notes, iii) entered into a \$550,000,000 variable rate Term Loan, and iv) increased the borrowing capacity under our Credit Facility and Commercial Paper Program to \$2,500,000,000 and \$1,000,000,000, respectively.

We believe that our balance sheet strength, as measured by our current level of indebtedness, our current ability to service interest and other fixed charges, and our current moderate use of financial encumbrances (such as secured financing), provide us with adequate access to liquidity from the capital markets. We expect to be able to meet our reasonably foreseeable liquidity needs, as they arise, through a combination of one or more of the following sources: existing cash on hand; operating cash flows; the settlement of the outstanding equity forwards; borrowings under our Credit Facility and Commercial Paper Program; the issuance of corporate securities (which could include unsecured debt, preferred equity and/or additional common equity after considering the outstanding equity forwards); the sale of apartment communities; secured debt; or through the formation of joint ventures. See the discussion under "Liquidity and Capital Resources."

Communities Overview

As of December 31, 2025, we owned or held a direct or indirect ownership interest in 320 communities containing 98,694 apartment homes in 11 states and the District of Columbia, of which 24 communities were under construction. We had an indirect interest in eight of the 320 communities which were owned by entities that were not consolidated for financial reporting purposes. In addition, we held a direct or indirect ownership interest in Development Rights for an additional 32 apartment communities that, if developed as expected, will contain an estimated 9,032 apartment homes.

Our real estate investments consist primarily of Current Communities, Development communities, Unconsolidated Development communities and Development Rights. Our Current Communities are further classified as Same Store communities, Other Stabilized communities, Redevelopment communities and Unconsolidated communities.

Same Store communities are consolidated communities that were owned and had stabilized occupancy as of the beginning of the prior year, allowing for a meaningful comparison of operating results between years. Other Stabilized communities are generally all other completed consolidated communities that have stabilized occupancy at the beginning of the current year or were acquired during the current or prior year. Redevelopment communities are consolidated communities where substantial redevelopment is in progress or is probable to begin during the current year. Unconsolidated communities are communities in which we have an indirect ownership interest in an unconsolidated joint venture. A more detailed description of our reportable segments and other related operating information can be found in Note 8, "Segment Reporting," of our Consolidated Financial Statements.

Although each of these categories is important to our business, we generally evaluate overall operating, industry and market trends based on the operating results of Same Store communities, for which a detailed discussion can be found in "Results of Operations" as part of our discussion of overall operating results. We evaluate our current and future cash needs and future operating potential based on acquisition, disposition, development, redevelopment and financing activities within Other Stabilized, Redevelopment and Development communities. Discussions related to current and future cash needs and financing activities can be found under "Liquidity and Capital Resources."

NOI of our current operating communities is one of the financial measures that we use to evaluate the performance of our communities. NOI is affected by the demand and supply dynamics within our markets, our rental rates and occupancy levels and our ability to control operating costs. Our overall financial performance is also impacted by the general availability and cost of capital and the performance of newly developed, redeveloped and acquired apartment communities.

Results of Operations

Our results of operations are driven by our operating platform and are also affected by national and local market conditions and are reflected in changes in Same Store NOI; NOI derived from acquisitions, development completions and development under construction and in lease-up; loss of NOI related to disposed communities; and capital market and financing activity. See also Part I, Item 1A, "Risk Factors." Discussion of our operating results for 2024 and comparison to 2023 can be found in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Form 10-K filed with the SEC on February 27, 2025. A comparison of our operating results for 2025 and 2024 follows (dollars in thousands).

	For the year ended December 31,	
	2025	2024
Revenue:		
Rental and other income	\$ 3,033,683	\$ 2,906,676
Management, development and other fees	7,042	7,081
Total revenue	<u>3,040,725</u>	<u>2,913,757</u>
Expenses:		
Direct property operating expenses, excluding property taxes	(623,580)	(576,115)
Property taxes	(342,743)	(327,611)
Total community operating expenses	<u>(966,323)</u>	<u>(903,726)</u>
Property management and other indirect operating expenses	(154,591)	(169,731)
Expensed transaction, development and other pursuit costs, net of recoveries	(10,846)	(18,341)
Interest expense, net	(259,181)	(226,589)
Depreciation expense	(913,376)	(846,853)
General and administrative expense	(86,679)	(77,697)
Casualty and impairment loss	(1,276)	(2,935)
Income from unconsolidated investments	39,691	32,231
Structured Investment Program interest income	27,476	18,451
Gain on sale of communities, net	335,713	363,300
Other real estate activity	4,131	753
Income before income taxes	1,055,464	1,082,620
Income tax benefit (expense)	\$ 1,135	(445)
Net income	<u>1,056,599</u>	<u>1,082,175</u>
Net income attributable to noncontrolling interests	<u>(5,298)</u>	<u>(181)</u>
Net income attributable to common stockholders	<u>\$ 1,051,301</u>	<u>\$ 1,081,994</u>

Net income attributable to common stockholders decreased \$30,693,000, or 2.8%, to \$1,051,301,000 in 2025 from 2024, primarily due to (i) an increase in depreciation expense from newly acquired or developed communities, (ii) a decrease in gains from real estate sales and (iii) increased interest expense, net over the prior year due to decreased interest income resulting from lower cash amounts invested at lower rates, increased commercial paper outstanding and increased effective interest expense for our unsecured indebtedness.

NOI. We define *NOI* as total property revenue less direct property operating expenses (including property taxes), and excluding:

- corporate-level income (such as management, development and other fees);
- property management and other indirect operating expenses, net of corporate income;
- expensed transaction, development and other pursuit costs, net of recoveries;
- interest expense, net;
- loss on extinguishment of debt, net;
- general and administrative expense;
- income from unconsolidated investments;
- SIP interest income;
- depreciation expense;
- income tax expense (benefit);
- casualty and impairment loss;
- gain on sale of communities, net;
- other real estate activity; and
- net operating income from real estate assets sold or held for sale.

Management considers *NOI* to be an important and appropriate supplemental performance measure to net income because it helps both investors and management to understand the core operations of a community or communities prior to the allocation of any corporate-level property management overhead or financing-related costs. *NOI* reflects the operating performance of a

community and allows for an easier comparison of the operating performance of individual assets or groups of assets. In addition, because prospective buyers of real estate have different financing and overhead structures, with varying marginal impact to overhead as a result of acquiring real estate, NOI is considered by many in the real estate industry to be a useful measure for determining the value of a real estate asset or group of assets.

NOI does not represent cash generated from operating activities in accordance with GAAP, and NOI should not be considered an alternative to net income as an indication of our performance. NOI should also not be considered an alternative to net cash flow from operating activities, as determined by GAAP, as a measure of liquidity, nor is NOI indicative of cash available to fund cash needs. Residential NOI represents results attributable to our apartment rental operations, including parking and other ancillary residential revenue. Reconciliations of NOI and Residential NOI for the years ended December 31, 2025 and 2024 to net income for each year are as follows (dollars in thousands):

	For the year ended December 31,	
	2025	2024
Net income	\$ 1,056,599	\$ 1,082,175
Property management and other indirect operating expenses, net of corporate income	147,548	162,594
Expensed transaction, development and other pursuit costs, net of recoveries	10,846	18,341
Interest expense, net	259,181	226,589
General and administrative expense	86,679	77,697
Income from unconsolidated investments	(39,691)	(32,231)
Structured Investment Program interest income	(27,476)	(18,451)
Depreciation expense	913,376	846,853
Income tax (benefit) expense	(1,135)	445
Casualty and impairment loss	1,276	2,935
Gain on sale of communities, net	(335,713)	(363,300)
Other real estate activity	(4,131)	(753)
Net operating income from real estate assets sold or held for sale	<u>(46,410)</u>	<u>(92,814)</u>
NOI	<u>2,020,949</u>	<u>1,910,080</u>
Commercial NOI (1)	<u>(31,903)</u>	<u>(32,167)</u>
Residential NOI	<u>\$ 1,989,046</u>	<u>\$ 1,877,913</u>

(1) Represents results attributable to the retail and other non-residential operations at our communities ("Commercial").

The Residential NOI changes for 2025 as compared to 2024 consist of changes in the following categories (dollars in thousands):

	For the year ended	
	December 31, 2025	
Same Store	\$	34,598
Other Stabilized (1)		56,860
Development / Redevelopment		19,675
Total	<u>\$</u>	<u>111,133</u>

(1) Other Stabilized is generally composed of two types of consolidated communities: (i) completed development communities that had stabilized occupancy as of January 1, 2025, and (ii) operating communities which were acquired during the years ended December 31, 2025 or 2024. A community is considered to have stabilized occupancy at the earlier of (i) attainment of 90% physical occupancy or (ii) the one year anniversary of completion of development or redevelopment.

The 1.9% increase in our Same Store Residential NOI in 2025 is due to an increase in Residential revenue of \$66,107,000, or 2.5%, partially offset by an increase in Residential property operating expenses of \$31,509,000, or 3.8%, over 2024.

Inflation can adversely impact our current and expected operating results by increasing (i) our corporate and community level operating costs, (ii) our cost of capital for new or variable rate borrowing activity as well as (iii) the costs for construction, development and other capitalized projects. This risk may be partially or fully mitigated by increases in rents for residential leases, which are generally for a term of one year or less.

Rental and other income increased \$127,007,000, or 4.4%, in 2025 compared to the prior year primarily due to an increase in rental revenue from our stabilized operating communities, discussed below.

Consolidated Communities — The weighted average number of occupied apartment homes for consolidated communities increased to 81,487 apartment homes for 2025, compared to 79,242 apartment homes for 2024. The weighted average monthly residential revenue per occupied apartment home increased to \$3,082 in 2025, compared to \$3,032 in 2024.

Same Store Communities — The following table presents the change in Same Store Residential revenue, including the attribution of the change between average revenue per occupied home and Economic Occupancy (as defined below) for the year ended December 31, 2025 (dollars in thousands).

	For the year ended December 31,									
	Residential revenue				Average monthly revenue per occupied home			Economic Occupancy (1)		
	2025	2024	2025 to 2024	2025 to 2024	2025	2024	2025 to 2024	2025	2024	2025 to 2024
			\$ Change	% Change			% Change			% Change
New England	\$ 379,392	\$ 371,205	\$ 8,187	2.2 %	\$ 3,444	\$ 3,365	2.3 %	96.3 %	96.4 %	(0.1)%
Metro NY/NJ	541,720	527,609	14,111	2.7 %	3,842	3,757	2.3 %	96.0 %	95.6 %	0.4 %
Mid-Atlantic	405,708	391,965	13,743	3.5 %	2,585	2,497	3.5 %	95.4 %	95.4 %	— %
Southeast Florida	95,711	95,809	(98)	(0.1)%	2,899	2,898	— %	97.0 %	97.1 %	(0.1)%
Denver, CO	40,595	40,691	(96)	(0.2)%	2,326	2,329	(0.1)%	94.5 %	94.6 %	(0.1)%
Pacific Northwest	164,930	159,918	5,012	3.1 %	2,889	2,799	3.2 %	96.2 %	96.3 %	(0.1)%
Northern California	425,970	415,817	10,153	2.4 %	3,132	3,065	2.2 %	96.0 %	95.8 %	0.2 %
Southern California	603,251	589,204	14,047	2.4 %	2,945	2,877	2.4 %	95.9 %	95.9 %	— %
Other Expansion Regions	54,789	53,741	1,048	2.0 %	1,908	1,907	0.1 %	95.2 %	93.3 %	1.9 %
Total Same Store	<u>\$2,712,066</u>	<u>\$2,645,959</u>	<u>\$ 66,107</u>	<u>2.5 %</u>	<u>\$ 3,062</u>	<u>\$ 2,991</u>	<u>2.4 %</u>	<u>95.9 %</u>	<u>95.8 %</u>	<u>0.1 %</u>

- (1) Economic Occupancy is defined as gross potential revenue less vacancy loss, as a percentage of gross potential revenue. Gross potential revenue is determined by valuing occupied homes at contract rates and vacant homes at market rents. Vacancy loss is determined by valuing vacant units at current market rents. Economic Occupancy considers that apartment homes of different sizes and locations within a community have different economic impacts on a community's gross revenue.

The following table details the increase in Same Store Residential revenue by component for the year ended December 31, 2025, compared to the prior year:

	For the year ended December 31, 2025
Residential revenue	
Lease rates	1.9 %
Concessions and other discounts	(0.2)%
Economic Occupancy	0.1 %
Other rental revenue	0.6 %
Uncollectible lease revenue	0.1 %
Total Residential revenue	<u>2.5 %</u>

We use concessions periodically as a means to increase leasing velocity, providing our new and existing residents an upfront incentive to enter into a new lease, or extend an existing lease. During 2025, concessions granted for our Same Store communities increased over the prior year by \$6,976,000 to \$24,198,000. We amortize concessions on a straight-line basis over the life of the respective leases (generally one year), reducing the income recognized over the lease term. For the year ended December 31, 2025, amortized concessions increased by \$4,246,000, partially offsetting the increase in revenue as compared to

the prior year. The remaining net unamortized balance of Same Store residential concessions as of December 31, 2025 and 2024 was \$13,025,000 and \$9,436,000, respectively.

Direct property operating expenses, excluding property taxes, increased \$47,465,000, or 8.2%, in 2025 compared to the prior year, primarily due to the addition of newly developed and acquired apartment communities as well as increased Residential operating expenses at our Same Store communities as discussed below.

Same Store Residential direct property operating expenses, excluding property taxes, increased \$28,539,000, or 5.5%, in 2025 compared to the prior year, primarily due to increased (i) repairs and maintenance costs, (ii) utility costs, including from our bulk internet offering, the costs for which are more than offset by the associated bulk internet revenue included as a component of rental and other income and (iii) payroll costs primarily from increased employee benefit costs, growth in average salaries and bonus achievement, partially offset by a reduction in on-site associates.

Property taxes increased \$15,132,000, or 4.6%, in 2025 compared to the prior year, primarily due to the addition of newly developed and acquired apartment communities and increases for our Same Store Residential portfolio, partially offset by decreased property taxes from dispositions.

Same Store Residential property taxes increased \$2,970,000, or 1.0%, in 2025 compared to the prior year, primarily due to increased assessments across most of the portfolio and the expiration of property tax incentive programs, partially offset by successful tax appeals at certain of our properties in the current year in excess of the prior year.

Property management and other indirect operating expenses, net of corporate income decreased \$15,140,000, or 8.9%, in 2025, primarily due to decreased advocacy costs, partially offset by increases in costs related to our shared service center.

Expensed transaction, development and other pursuit costs, net of recoveries includes costs incurred for write downs and abandonment of Development Rights and development pursuits not yet considered probable for development, as well as costs related to abandoned acquisition and disposition pursuits, offset by any recoveries of costs incurred. In periods of increased acquisition and pursuit activity, periods of economic downturn or when there is limited access to capital, these costs may vary significantly from year to year. In addition, the timing for recoveries will not always align with the timing for expensing an abandoned pursuit. Expensed transaction, development and other pursuit costs, net of recoveries, was \$10,846,000 and \$18,341,000 for the years ended December 31, 2025 and 2024, respectively. The amounts for 2025 and 2024 include a write-off of \$3,668,000 and \$8,947,000, respectively, for one development opportunity in each year that we determined is no longer probable.

Interest expense, net increased \$32,592,000, or 14.4%, in 2025 compared to the prior year. This category includes interest costs offset by capitalized interest pertaining to development and redevelopment activity, amortization of premium/discount on debt, interest income and any mark-to-market impact from derivatives not in qualifying hedge relationships. The increase in 2025 is primarily due to decreases in interest income compared to the prior year due to lower cash amounts invested and lower rates, increased commercial paper outstanding and increased effective interest expense for our unsecured indebtedness. The increase in 2025 is partially offset by increased capitalized interest compared to the prior year.

Depreciation expense increased \$66,523,000, or 7.9%, in 2025 compared to the prior year, primarily due to the addition of newly developed and acquired apartment communities, partially offset by dispositions.

General and administrative expense increased \$8,982,000, or 11.6%, in 2025 as compared to the prior year, primarily due to an increase in legal costs and settlements and higher compensation expense.

Casualty and impairment loss for the year ended December 31, 2025 of \$1,276,000 represents property and casualty damage to certain of our communities and was primarily driven by damage from a water pipe break at a community in Massachusetts.

Income from unconsolidated investments increased \$7,460,000 in 2025 compared to the prior year, primarily due to an increase in unrealized gains on our property technology and sustainability fund investments.

Structured Investment Program interest income increased \$9,025,000 in 2025, compared to the prior year, primarily due to the increased principal amount funded in our SIP investments.

Gain on sale of communities, net decreased \$27,587,000 in 2025 compared to the prior year. The amount of gain realized in a particular period depends on many factors, including the number of communities sold, expected operating performance of the communities and the market conditions in the local area. The gains of \$335,713,000 and \$363,300,000 in 2025 and 2024, respectively, were primarily due to the sale of nine and eight wholly-owned communities in 2025 and 2024, respectively.

Income tax benefit of \$1,135,000 for 2025 was primarily due to the sale of solar tax credits.

Non-GAAP Financial Measures — Reconciliation of FFO and Core FFO

FFO and FFO adjusted for non-core items, or "Core FFO," as defined below, are generally considered by management to be appropriate supplemental measures of our operating and financial performance.

Consistent with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts® ("Nareit"), we calculate Funds from Operations Attributable to Common Stockholders ("FFO") 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 due to a decrease in the value of depreciable real estate assets held by those affiliates;
- depreciation of real estate assets; and
- similar adjustments for unconsolidated partnerships and joint ventures, including those from a change in control.

FFO can help with the comparison of the operating and financial performance of a real estate company between periods or as compared to different companies because the adjustments such as (i) gains or losses on sales of previously depreciated property or (ii) real estate depreciation may impact comparability as the amount and timing of these or similar items can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates. By further adjusting for items that we do not consider part of our core business operations, Core FFO can help with the comparison of our core operating performance year over year. We believe that, in order to understand our operating results, FFO and Core FFO should be considered in conjunction with net income as presented in the Consolidated Statements of Comprehensive Income included elsewhere in this report.

We calculate Core FFO as FFO, adjusted for:

- joint venture gains (if not adjusted through FFO), non-core costs and promoted interests from partnerships;
- casualty and impairment losses or gains, net on non-depreciable real estate or other investments;
- gains or losses from early extinguishment of consolidated borrowings;
- expensed transaction, development and other pursuit costs, net of recoveries;
- legal recoveries, settlement proceeds, and certain legal costs;
- property and casualty insurance proceeds;
- gains or losses on sales of assets not subject to depreciation and other investment gains or losses;
- advocacy contributions, representing payments to promote our business interests;
- hedge ineffectiveness or gains or losses from derivatives not designated as hedges for accounting purposes;
- changes to expected credit losses associated with the lending commitments under the SIP;
- severance related costs;
- executive transition compensation costs;
- net for-sale condominium activity, including gains, marketing, operating and administrative costs and imputed carry cost; and
- income taxes.

FFO and Core FFO do not represent (i) net income in accordance with GAAP, and therefore should not be considered an alternative to net income, which remains the primary measure, as an indication of our performance, or (ii) cash generated from operating activities in accordance with GAAP, and therefore should not be considered an alternative to net cash flows from operating activities, as determined by GAAP, as a measure of liquidity. In addition, FFO and Core FFO are not necessarily indicative of cash available to fund cash needs and may not be comparable to FFO and Core FFO as calculated by other REITs.

The following is a reconciliation of net income attributable to common stockholders to FFO attributable to common stockholders and to Core FFO attributable to common stockholders for the years ended December 31, 2025 and 2024 (dollars in thousands, except per share amounts).

	For the year ended December 31,	
	2025	2024
Net income attributable to common stockholders	\$ 1,051,301	\$ 1,081,994
Depreciation - real estate assets, including joint venture adjustments	905,701	843,224
Income attributable to noncontrolling interests	5,298	—
Gain on sale of previously depreciated real estate, net	(335,713)	(363,300)
Casualty loss and impairment on real estate	1,276	2,935
FFO	1,627,863	1,564,853
Adjusting items:		
Unconsolidated entity gains, net (1)	(39,227)	(33,137)
Structured Investment Program loan reserve (2)	(304)	(1,057)
Hedge accounting activity	24	61
Advocacy contributions	587	19,156
Executive transition compensation costs	—	304
Severance related costs	1,504	1,787
Expensed transaction, development and other pursuit costs, net of recoveries (3)	6,960	13,649
Other real estate activity (4)	(4,086)	(669)
Legal settlements and costs	13,391	3,002
Income tax (benefit) expense	(1,135)	445
Core FFO	\$ 1,605,577	\$ 1,568,394
Weighted average common shares outstanding - diluted	142,826,382	142,458,604
Earnings per common share - diluted	\$ 7.40	\$ 7.60
FFO per common share - diluted	\$ 11.40	\$ 10.98
Core FFO per common share - diluted	\$ 11.24	\$ 11.01

- (1) Amounts consist primarily of net unrealized gains on property technology and sustainability fund investments.
- (2) Reflects changes to expected credit losses associated with our lending commitments primarily under the SIP. The timing and amount of actual losses that will be incurred, if any, is to be determined at the maturity of each respective lending agreement.
- (3) Amounts for 2025 and 2024 include a write-off of \$3,668 and \$8,947 for one development opportunity in each year that we determined is no longer probable.
- (4) Amount for 2025 consists primarily of the gain on sale of a development right and gains on sale of other non-operating real estate. Amount for 2024 consists primarily of gains on sale of other non-operating real estate, as well as the imputed carry cost of for-sale residential condominiums at The Park Loggia. We compute this adjustment by multiplying the total capitalized cost of completed and unsold for-sale residential condominiums by the weighted average effective interest rate on our unsecured debt.

Liquidity and Capital Resources

We employ a disciplined approach to our liquidity and capital management. When we source capital, we take into account both our view of the most cost-effective alternative available and our desire to maintain a balance sheet that provides us with flexibility. Our principal focus on near-term and intermediate-term liquidity is to ensure we have adequate capital to fund:

- development and redevelopment activity in which we are currently engaged or in which we plan to engage;
- the minimum dividend payments on our common stock required to maintain our REIT qualification under the Code;
- regularly scheduled principal and interest payments and principal payments either at maturity or opportunistically before maturity;
- normal recurring operating and corporate overhead expenses; and
- investment in our operating platform, including strategic investments.

Factors affecting our liquidity and capital resources include our cash flows from operations, financing activities and investing activities (including dispositions) as well as general economic and market conditions. Cash flows from operations are determined by operating activities and factors including but not limited to (i) the number of apartment homes owned, (ii) rental rates, (iii) occupancy levels, (iv) uncollectible lease revenue levels or interruptions in collections caused by market conditions, (v) operating expenses and (vi) capital expenditures with respect to our communities. The timing and type of capital markets activity in which we engage is affected by changes in the capital markets environment, such as changes in interest rates or the availability of cost-effective capital. Our plans for development, redevelopment, non-routine capital expenditure, acquisition and disposition activity are affected by market conditions and capital availability. We frequently review our liquidity needs, especially in periods with volatile market conditions, as well as the adequacy of cash flows from operations and other expected liquidity sources to meet these needs.

We had cash, cash equivalents and restricted cash of \$353,083,000 at December 31, 2025, an increase of \$86,007,000 from \$267,076,000 at December 31, 2024. The following discussion relates to changes in cash, cash equivalents and restricted cash due to operating, investing and financing activities.

A presentation of GAAP based cash flow metrics is as follows (dollars in thousands):

	For the year ended December 31,	
	2025	2024
Net cash provided by operating activities	\$ 1,671,105	\$ 1,607,878
Net cash used in investing activities	\$ (1,392,367)	\$ (996,864)
Net cash used in financing activities	\$ (192,731)	\$ (874,898)

- Net cash provided by operating activities increased primarily due to an increase in NOI from our stabilized operating communities as well as from our Development Communities.
- Net cash used in investing activities was primarily due to (i) the investment of \$1,209,454,000 in the development and redevelopment of apartment communities, (ii) acquisition of 12 wholly-owned communities and our joint venture partner's 50% interest in Avalon Alderwood Place for a total of \$682,163,000 and (iii) capital expenditures of \$264,942,000 for our wholly-owned communities and non-real estate assets. These amounts were partially offset by net proceeds from the disposition of real estate assets of \$799,419,000.
- Net cash used in financing activities was primarily due to (i) the payment of cash dividends in the amount of \$992,333,000, (ii) repayment of \$825,000,000 of our unsecured notes at par upon maturity and (iii) the repurchase of 2,678,719 shares of common stock at an average price of \$182.20 per share for a total purchase price including fees of \$488,115,000. These amounts were partially offset by proceeds from the issuance of unsecured notes, including amounts borrowed under the Term Loan, in the amount of \$1,347,312,000 and proceeds from the issuance of commercial paper in the amount of \$739,608,000.

Variable Rate Unsecured Credit Facility

In April 2025, we entered into an amended and restated Credit Facility with a syndicate of banks, which replaced our prior credit facility, dated September 27, 2022. The amended and restated Credit Facility (i) increased the borrowing capacity under the Credit Facility from \$2,250,000,000 to \$2,500,000,000, and (ii) extended the term of the Credit Facility from September 2026 to April 2030. The interest rate that would be applicable to borrowings under the Credit Facility was 4.39% at January 31, 2026 and is composed of (i) the Secured Overnight Financing Rate ("SOFR"), applicable to the period of borrowing for a particular draw of funds from the Credit Facility (e.g., one month to maturity, three months to maturity, etc.), plus (ii) the current borrowing spread to SOFR of 0.705% per annum, assuming a daily SOFR borrowing rate. The borrowing spread to SOFR can vary from SOFR plus 0.65% to SOFR plus 1.40% based upon the rating of our unsecured senior notes. There is also an annual facility commitment fee of 0.12% of the borrowing capacity under the Credit Facility, which can vary from 0.10% to 0.30% based upon the rating of our unsecured senior notes. The Credit Facility contains a sustainability-linked pricing component which provides for interest rate margin and commitment fee reductions or increases related to certain environmental sustainability targets, specifically greenhouse gas emission reductions, with the adjustment determined annually. The most recent annual determination under the sustainability-linked pricing component occurred in July 2025, maintaining reductions of approximately 0.02% to the interest rate margin and 0.005% to the commitment fee due to our achievement of sustainability targets. On August 1, 2025, the Company amended the Credit Facility to extend the applicability of its sustainability-linked pricing component. All other terms of the Credit Facility, including its maturity date of April 2030, remain unchanged.

The availability on the Credit Facility as of January 31, 2026 is as follows (dollars in thousands):

	January 31, 2026
Credit Facility commitment	\$ 2,500,000
Credit Facility outstanding	—
Commercial paper outstanding	(880,000)
Letters of credit outstanding (1)	(864)
Total Credit Facility available	<u>\$ 1,619,136</u>

(1) In addition, we had \$52,284 outstanding in additional letters of credit unrelated to the Credit Facility as of January 31, 2026.

Commercial Paper Program

We have a Commercial Paper Program in which we may issue unsecured commercial paper notes with maturities of less than one year. In April 2025, we increased the maximum amount of commercial paper notes that can be outstanding under the Commercial Paper Program from \$500,000,000 to \$1,000,000,000. The Commercial Paper Program is backstopped by our commitment to maintain available borrowing capacity under the Credit Facility in an amount equal to actual borrowings under the Commercial Paper Program. As of January 31, 2026, we had \$880,000,000 of borrowings outstanding under the Commercial Paper Program.

Secured and Unsecured Borrowings—Financial Covenants and Early Repayment Provisions

We are subject to financial covenants contained in the Credit Facility, the Term Loan and the indentures under which our unsecured notes were issued. The principal financial covenants include the following:

- limitations on the amount of total and secured debt in relation to our overall capital structure;
- limitations on the amount of our unsecured debt relative to the undepreciated basis of real estate assets that are not encumbered by property-specific financing; and
- minimum levels of debt service coverage.

We were in compliance with these covenants at December 31, 2025.

In addition, some of our secured and unsecured borrowings include yield maintenance, defeasance, or prepayment penalty provisions, which could result in us incurring an additional charge in the event of a full or partial prepayment of outstanding principal before the scheduled maturity. These provisions in our borrowings are generally consistent with other similar types of debt instruments issued during the same time period in which our borrowings were issued.

Continuous Equity Offering Program

Under our continuous equity program (the "CEP"), we may sell (and/or enter into forward sale agreements for the sale of) up to \$1,000,000,000 of our common stock from time to time. Actual sales will depend on a variety of factors to be determined, including market conditions, the trading price of our common stock and our determinations of the appropriate funding sources. We expect that, if entered into, we will physically settle each forward sale agreement on one or more dates prior to the maturity date of that particular forward sale agreement, and to receive aggregate net cash proceeds at settlement equal to the number of shares underlying the particular forward agreement multiplied by the forward sale price. However, we may also elect to cash settle or net share settle a forward sale agreement. In connection with each forward sale agreement, we will pay the forward seller, in the form of a reduced initial forward sale price, a commission of up to 1.5% of the sales prices of all borrowed shares of common stock sold. During the year ended December 31, 2025, the Company settled the outstanding forward contracts that were entered into under the CEP during the year ended December 31, 2024, selling 367,113 shares of common stock for proceeds, net of fees, of \$81,333,000, based on the gross weighted average price per share of \$223.27. During the year ended December 31, 2025 and through January 31, 2026, we did not have any new forward sale agreements under the CEP. As of January 31, 2026, we had \$623,997,000 remaining authorized for issuance under this program.

Forward Equity Offering

In addition to the CEP, during the year ended December 31, 2024, we completed an underwritten public offering pursuant to which we entered into forward contracts to sell 3,680,000 shares of common stock at a discount to the closing price of \$226.52 per share for approximate net proceeds of \$808,606,000 based on the initial forward price (the "September 2024 Equity

Offering"). The final proceeds will be determined on the date(s) of settlement and are subject to certain customary adjustments for dividends and a daily interest factor. During the year ended December 31, 2025, we amended each of the forward contracts related to the September 2024 Equity Offering to extend the settlement of the forward contracts from a date no later than December 31, 2025 to a date no later than December 31, 2026.

Stock Repurchases

In October 2025, we terminated the 2020 Stock Repurchase Program and adopted a new 2025 Stock Repurchase Program. During the year ended December 31, 2025, we repurchased 2,678,719 shares of common stock at an average price of \$182.20 per share, including fees, for a total of \$488,115,000 under the 2020 Stock Repurchase Program and the 2025 Stock Repurchase Program. From January 1, 2026 through February 26, 2026, we repurchased 637,958 shares of common stock at an average price of \$176.85 per share, including fees, for a total of \$112,824,000 of the \$163,769,000 of capacity remaining under the 2025 Stock Repurchase Program as of January 1, 2026.

On February 26, 2026, we terminated the 2025 Stock Repurchase Program and adopted the 2026 Stock Repurchase Program. Purchases of common stock under the 2026 Stock Repurchase Program may occur from time to time at our discretion. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements, market conditions and other corporate liquidity requirements and priorities. The 2026 Stock Repurchase Program does not have an expiration date and may be suspended or terminated at any time without prior notice.

Future Financing and Capital Needs—Debt Maturities and Material Obligations

One of our principal long-term liquidity needs is the repayment of long-term debt at maturity. For both our unsecured and secured debt, a portion of the principal of the debt may be repaid prior to maturity. Early retirement of our unsecured or secured debt could result in gains or losses on extinguishment. We may use capital from a variety of sources to repay debt at maturity, including cash from operations and proceeds received from the dispositions of our operating communities or other direct and indirect investments in real estate. If we do not have funds on hand sufficient to repay our indebtedness as it becomes due, it will be necessary for us to refinance or otherwise provide liquidity to satisfy the debt at maturity. This refinancing may be accomplished by uncollateralized private or public debt offerings, equity issuances, including through the settlement of the outstanding equity forwards, additional debt financing that is secured by mortgages on individual communities or groups of communities or borrowings under our Credit Facility, Term Loan or Commercial Paper Program. In addition, to the extent we have amounts outstanding under the Commercial Paper Program, we are obligated to repay the short-term indebtedness at maturity through either current cash on hand or by incurring other indebtedness, including by way of borrowing under our Credit Facility or Term Loan. While we believe we will have the capacity to meet our currently anticipated liquidity needs, we cannot assure you that capital from additional debt financing or debt or equity offerings will be available or, if available, that they will be on terms we consider satisfactory.

The following debt and derivative activity occurred during the year ended December 31, 2025:

- As discussed above, in April 2025, we entered into an amended and restated Credit Facility, which replaced our prior credit facility, dated September 27, 2022. The amended and restated Credit Facility (i) increased the borrowing capacity under the Credit Facility from \$2,250,000,000 to \$2,500,000,000, and (ii) extended the term of the Credit Facility from September 2026 to April 2030.
- In April 2025, we entered into a \$450,000,000 Term Loan which matures in April 2029. On August 1, 2025, we amended the Term Loan to (i) exercise our full accordion option to increase the amount of the Term Loan by \$100,000,000 to \$550,000,000 and (ii) extend the applicability of the sustainability-linked pricing component. During the year ended December 31, 2025, we drew down the full amount of the Term Loan and entered into \$550,000,000 notional amount of interest rate swaps to hedge the impact of variability in interest rates on the Term Loan. The swaps are coterminous with the Term Loan, maturing in April 2029. The Term Loan bears interest at varying levels based on (i) the SOFR applicable to the period of borrowing for a particular draw of funds from the facility, which rate is recalculated at the end of each such period if the Term Loan remains outstanding, (ii) a stated spread over SOFR that can vary from SOFR plus 0.70% to SOFR plus 1.60% per annum based upon the rating of our unsecured and unsubordinated long-term indebtedness and (iii) a sustainability spread adjustment that can range from (0.02)% to 0.02%. The current borrowing spread to SOFR under the Term Loan is 0.78% per annum, inclusive of a sustainability spread adjustment of (0.02)%. Including the impact of these swaps and transaction costs, assuming the Term Loan will be fully drawn until maturity and our current borrowing spread to SOFR, the effective interest rate on borrowings under the Term Loan is fixed at 4.44%.

- As discussed above, in April 2025, the Company increased the capacity of the Commercial Paper Program from \$500,000,000 to \$1,000,000,000.
- In June 2025, we repaid \$525,000,000 of our 3.45% coupon unsecured notes at par upon maturity.
- In July 2025, we issued \$400,000,000 principal amount of unsecured notes in a public offering under our existing shelf registration statement for proceeds net of underwriting fees and discounts of approximately \$394,888,000, before considering the impact of other offering costs. The notes mature in August 2035 and were issued at a 5.00% coupon. The effective interest rate of the notes is 5.05%, considering the net proceeds and including the impact of other offering costs and hedging activity. In connection with the issuance of our \$400,000,000 unsecured notes, we terminated \$200,000,000 of interest rate swap agreements designated as cash flow hedges of the interest rate variability on the issuance of the unsecured notes, receiving payments of \$4,099,000 in July 2025 which will be recognized over the life of the unsecured notes as a reduction in the effective interest rate. Of the \$200,000,000 forward interest rate swap agreements terminated, \$100,000,000 were entered into during the year ended December 31, 2025.
- In November 2025, we repaid \$300,000,000 of our 3.50% coupon unsecured notes at par upon maturity.
- In December 2025, we issued \$400,000,000 principal amount of unsecured notes in a public offering under our existing shelf registration statement for proceeds net of underwriting fees and discounts of approximately \$397,424,000, before considering the impact of other offering costs. The notes mature in December 2030 and were issued at a 4.35% coupon. The effective interest rate on the notes is 4.52%, considering the net proceeds and including the impact of offering costs and hedging activity. In connection with the issuance of our \$400,000,000 unsecured notes, we entered into and terminated \$100,000,000 of interest rate swap agreements designated as cash flow hedges of the interest rate variability on the issuance of the unsecured notes, receiving payments of \$242,000 in December 2025 which will be recognized over the life of the unsecured notes as a reduction in the effective interest rate.

The following table details our consolidated debt obligations, including the effective interest rate and contractual maturity dates, and principal payments for periodic amortization and maturities for the next five years, excluding our Credit Facility and Commercial Paper Program and amounts outstanding related to communities classified as held for sale, at December 31, 2025 and 2024 (dollars in thousands). We are not directly or indirectly (as borrower or guarantor) obligated in any material respect to pay principal or interest on the indebtedness of any unconsolidated entities in which we have an equity or other interest other than as disclosed related to the AVA Arts District loan (see "Unconsolidated Operating Communities" for further discussion of the AVA Arts District loan).

Debt	Effective interest rate (1)	Principal maturity date	Balance Outstanding (2)		Scheduled Maturities						
			12/31/2024	12/31/2025	2026	2027	2028	2029	2030	Thereafter	
Tax-exempt bonds											
<i>Variable rate</i>											
Avalon Acton	3.40 %	Jul-2040	(3)	\$ 45,000	\$ 45,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 45,000
Avalon Clinton North	4.05 %	Nov-2038	(3)	126,400	126,400	—	—	—	—	—	126,400
Avalon Clinton South	4.05 %	Nov-2038	(3)	104,500	104,500	—	—	—	—	—	104,500
Avalon Midtown West	4.05 %	May-2029	(3)	69,800	62,500	8,800	8,900	9,800	35,000	—	—
Avalon San Bruno I	3.94 %	Dec-2037	(3)	55,250	52,150	1,900	2,700	2,900	3,100	3,300	38,250
				<u>400,950</u>	<u>390,550</u>	<u>10,700</u>	<u>11,600</u>	<u>12,700</u>	<u>38,100</u>	<u>3,300</u>	<u>314,150</u>
Conventional loans											
<i>Fixed rate</i>											
\$525 Million unsecured notes	3.55 %	Jun-2025	(4)	525,000	—	—	—	—	—	—	—
\$300 million unsecured notes	3.62 %	Nov-2025	(4)	300,000	—	—	—	—	—	—	—
\$475 million unsecured notes	3.35 %	May-2026		475,000	475,000	475,000	—	—	—	—	—
\$300 million unsecured notes	3.01 %	Oct-2026		300,000	300,000	300,000	—	—	—	—	—
\$350 million unsecured notes	3.95 %	Oct-2046		350,000	350,000	—	—	—	—	—	350,000
\$400 million unsecured notes	3.50 %	May-2027		400,000	400,000	—	400,000	—	—	—	—
\$300 million unsecured notes	4.09 %	Jul-2047		300,000	300,000	—	—	—	—	—	300,000
\$450 million unsecured notes	3.32 %	Jan-2028		450,000	450,000	—	—	450,000	—	—	—
\$300 million unsecured notes	3.97 %	Apr-2048		300,000	300,000	—	—	—	—	—	300,000
\$450 million unsecured notes	3.66 %	Jun-2029		450,000	450,000	—	—	—	450,000	—	—
\$700 million unsecured notes	2.69 %	Mar-2030		700,000	700,000	—	—	—	—	700,000	—
\$600 million unsecured notes	2.65 %	Jan-2031		600,000	600,000	—	—	—	—	—	600,000
\$700 million unsecured notes	2.16 %	Jan-2032		700,000	700,000	—	—	—	—	—	700,000
\$400 million unsecured notes	2.03 %	Dec-2028		400,000	400,000	—	—	400,000	—	—	—
\$350 million unsecured notes	4.38 %	Feb-2033		350,000	350,000	—	—	—	—	—	350,000
\$400 million unsecured notes	5.19 %	Dec-2033		400,000	400,000	—	—	—	—	—	400,000
\$400 million unsecured notes	5.05 %	Jun-2034		400,000	400,000	—	—	—	—	—	400,000
\$400 million unsecured notes	5.05 %	Aug-2035		—	400,000	—	—	—	—	—	400,000
\$400 Million unsecured notes	4.52 %	Dec-2030		—	400,000	—	—	—	—	400,000	—
\$550 million Term Loan	4.44 %	Apr-2029	(5)	—	550,000	—	—	—	550,000	—	—
Avalon Walnut Creek	4.00 %	Jul-2066		4,681	4,868	—	—	—	—	—	4,868
eaves Los Feliz	3.68 %	Jun-2027		41,400	41,400	—	41,400	—	—	—	—
eaves Woodland Hills	3.67 %	Jun-2027		111,500	111,500	—	111,500	—	—	—	—
Avalon Russett	3.77 %	Jun-2027		32,200	32,200	—	32,200	—	—	—	—
Avalon San Bruno III	2.38 %	Mar-2027		51,000	51,000	—	51,000	—	—	—	—
Avalon Cerritos	3.34 %	Aug-2029		30,250	30,250	—	—	—	30,250	—	—
Avalon West Plano	5.97 %	May-2029		62,448	61,384	1,111	1,159	1,202	57,912	—	—
				<u>7,733,479</u>	<u>8,257,602</u>	<u>776,111</u>	<u>637,259</u>	<u>851,202</u>	<u>1,088,162</u>	<u>1,100,000</u>	<u>3,804,868</u>
Total indebtedness - excluding Credit Facility and Commercial Paper				<u>\$ 8,134,429</u>	<u>\$ 8,648,152</u>	<u>\$786,811</u>	<u>\$648,859</u>	<u>\$863,902</u>	<u>\$1,126,262</u>	<u>\$1,103,300</u>	<u>\$ 4,119,018</u>

- (1) Rates are as of December 31, 2025 and include credit enhancement fees, facility fees, trustees' fees, the impact of interest rate hedges, offering costs, mark-to-market amortization and other fees.
- (2) Balances outstanding represent total amounts due at maturity, and exclude deferred financing costs and debt discount for the unsecured debt of \$45,620 and \$41,216 as of December 31, 2025 and 2024, respectively, and deferred financing costs and debt discount for the secured notes of \$13,588 and \$15,964 as of December 31, 2025 and 2024, respectively, as reflected on our Consolidated Balance Sheets included elsewhere in this report.
- (3) Financed by variable rate debt, but interest rate is capped through an interest rate protection agreement.
- (4) During 2025, we repaid this borrowing at par on its scheduled maturity date.
- (5) The variable rate Term Loan has been swapped to an effective fixed rate using interest rate swaps.

In addition to consolidated debt, we have scheduled contractual obligations associated with (i) ground leases for land underlying current operating or development communities and commercial and parking facilities and (ii) office leases for our corporate headquarters and regional offices of \$16,744,000 for 2026, \$16,827,000 for 2027 and \$470,689,000 thereafter.

Future Financing and Capital Needs—Portfolio and Capital Markets Activity

We invest in various real estate and real estate related investments, which include (i) the acquisition, development and redevelopment of communities both wholly-owned and through the formation of joint ventures, (ii) other indirect investments in real estate through the SIP, all as discussed further below and (iii) investments in other real estate-related ventures through direct and indirect investments in third-party property technology and sustainability focused companies and investment management funds.

In 2026, we expect to continue to meet our liquidity needs from one or more of a variety of internal and external sources, which may include (i) settlement of our outstanding equity forward contracts, (ii) real estate dispositions, (iii) cash balances on hand as well as cash generated from our operating activities, (iv) borrowing capacity under the Credit Facility, (v) borrowings under the Commercial Paper Program and (vi) secured and unsecured debt financings. Additional sources of liquidity in 2026 may include the issuance of common and preferred equity, including the issuance of additional shares of our common stock under the CEP. Our ability to obtain additional financing will depend on a variety of factors, such as market conditions, the general availability of credit, the overall availability of credit to the real estate industry, our credit ratings and credit capacity, as well as the perception of lenders regarding our long or short-term financial prospects.

Before beginning new construction or reconstruction activity, including activity related to communities owned by unconsolidated joint ventures, we plan to source sufficient capital to complete these undertakings, although we cannot assure you that we will be able to obtain such financing on acceptable terms or at all. In the event that financing cannot be obtained, we may abandon Development Rights, write off associated pre-development costs that were capitalized and/or forego reconstruction activity. In such instances, we will not realize the increased revenues and earnings that we expected from such Development Rights or reconstruction activity and significant losses could be incurred.

From time to time, we use joint ventures to hold or develop individual real estate assets. We generally employ joint ventures to mitigate asset concentration or market risk and as a source of liquidity. We may also use joint ventures related to mixed-use land development opportunities and new markets where our partners bring development and operational expertise and/or experience to the venture. Each joint venture or partnership agreement has been individually negotiated, and our ability to operate and/or dispose of a community in our sole discretion may be limited to varying degrees depending on the terms of the joint venture or partnership agreement. We cannot assure you that we will achieve our objectives through joint ventures.

In addition, we may invest, through mezzanine loans or preferred equity investments, in multifamily development projects being undertaken by third parties. In these cases, we do not expect to acquire the underlying real estate but rather to earn a return on our investment (through interest or fixed rate preferred equity returns) and a return of the invested capital generally following completion of construction either on or before a set due date.

In evaluating our allocation of capital within our markets, we sell assets that do not meet our long-term investment criteria or when capital and real estate markets allow us to realize a portion of the value created over our ownership periods and redeploy the proceeds from those sales to develop, redevelop and acquire communities. Because the proceeds from the sale of communities may not be immediately redeployed into revenue generating assets that we develop, redevelop or acquire, the immediate effect of a sale of a community for a gain is to increase net income, but reduce future total revenues, total expenses and NOI until such time as the proceeds have been redeployed into revenue generating assets. While we believe that the temporary absence of future cash flows from communities sold will not materially impair our liquidity, the timing and success of reinvestment of sale proceeds may vary and is subject to market conditions.

Investments

We invest in consolidated real estate entities, unconsolidated investments in real estate ventures and direct and indirect investments in third-party property technology and sustainability focused companies through investment management funds.

Consolidated Investments

During the year ended December 31, 2025, we acquired the following wholly-owned communities (dollars in thousands). See Note 5, "Investments," of the Consolidated Financial Statements included elsewhere in this report for further discussion.

Community name	Location	Apartment Homes	Purchase price
Avalon Hill Country	Austin, TX	554	\$ 136,000
Avalon Wolf Ranch	Georgetown, TX	303	51,000
eaves Twin Creeks (1)	Allen, TX	216	44,784
Avalon Benbrook (1)	Benbrook, TX	301	60,194
Avalon Castle Hills (1)	Lewisville, TX	276	65,491
Avalon Frisco (1)	Frisco, TX	330	80,419
Avalon Frisco North (1)	Frisco, TX	349	88,606
eaves North Dallas (1)	Dallas, TX	372	76,085
Avalon at Palisades	Charlotte, NC	274	72,300
Avalon Coconut Creek	Coconut Creek, FL	270	99,000
eaves Redmond Campus II	Redmond, WA	40	15,650
Avalon Townhome Collection Brier Creek	Durham, NC	93	36,500
Total acquisitions		3,378	\$ 826,029

(1) Included in the transaction to acquire six apartment communities in the Dallas-Fort Worth metropolitan area during the year ended December 31, 2025.

During the year ended December 31, 2025, we acquired the six apartment communities in the Dallas-Fort Worth metropolitan area included in the list above, containing 1,844 apartment homes for \$415,579,000. The consideration was comprised of a cash payment of \$193,000,000 and the issuance of 1,059,995 DownREIT Units.

During the year ended December 31, 2025, we acquired our joint venture partner's 50% interest in Avalon Alderwood Place, a 328 apartment home community in Lynnwood, WA for a purchase price of \$71,250,000. With the buyout of the joint venture partner's interest, Avalon Alderwood Place is now a wholly owned apartment community and consolidated for financial reporting purposes.

During the year ended December 31, 2025, we sold the following wholly-owned communities (dollars in thousands). See Note 6, "Real Estate Disposition Activities," of the Consolidated Financial Statements included elsewhere in this report for further discussion.

Community name	Location	Period of sale	Apartment Homes	Gross sales price	Gain (loss) on disposition	Commercial square feet
Avalon Wilton on River Road	Wilton, CT	Q1 2025	102	\$ 65,100	\$ 56,476	—
Avalon Wesmont Station I & II	Wood-Ridge, NJ	Q2 2025	406	161,500	99,636	18,000
Avalon at Gallery Place	Washington D.C.	Q3 2025	203	87,100	63,026	9,000
Avalon First and M	Washington D.C.	Q3 2025	469	181,750	41,499	4,000
AVA NoMa	Washington D.C.	Q3 2025	438	142,480	31,051	7,000
Avalon Brooklyn Bay	Brooklyn, NY	Q3 2025	180	74,500	(1,668)	—
Archstone Redmond Lakeview	Redmond, WA	Q3 2025	166	63,250	34,454	—
AVA H Street	Washington D.C.	Q3 2025	138	36,000	12,175	—
Total asset sales			2,102	\$ 811,680	\$ 336,649	38,000

In January 2026, we sold Avalon Sunset Towers, located in San Francisco, CA, containing 243 apartment homes for \$105,000,000.

Unconsolidated Operating Communities

During the year ended December 31, 2025, we had the following investments in and activity for our unconsolidated real estate and third-party property technology and sustainability fund investments. See Note 5, "Investments," of the Consolidated Financial Statements included elsewhere in this report for further discussion.

- Arts District Joint Venture was formed to develop, own, and operate AVA Arts District, an apartment community located in Los Angeles, CA, which completed construction in 2024 and contains 475 apartment homes and 57,000

square feet of commercial space. We have a 25% ownership interest in the venture. As of December 31, 2025, we have an equity investment of \$32,224,000 in the venture. In June 2025, the Arts District joint venture secured a variable rate loan of up to \$173,000,000. The outstanding borrowing is subject to an interest rate cap, which will limit the interest rate to 8.2%, based on the current borrowing spread. The loan matures in July 2028 and has two one-year extension options, subject to certain conditions. The joint venture used the proceeds to repay its outstanding \$158,735,000 variable rate construction loan which was scheduled to mature in August 2025. We provided the lender a partial payment guarantee for 25% of the loan's maximum borrowing capacity, on behalf of the venture. Any amounts payable under the 25% loan guarantee by us are obligations of the joint venture partners in proportion to their ownership interest, and in the event we are obligated to perform under our loan guarantee, the joint venture partner is obligated to reimburse us for 75% of amounts paid. As of December 31, 2025, the loan had an outstanding principal balance of \$162,104,000.

- MVP I, LLC joint venture was formed with an unrelated third party to develop Avalon at Mission Bay II, a community located in San Francisco, CA, which completed construction during 2006 and contains 313 apartment homes. The Company has a 25% equity interest in the venture. During the year ended December 31, 2025, MVP I, LLC repaid its \$103,000,000 outstanding fixed rate mortgage loan at par upon maturity. The equity investors contributed capital in proportion to their ownership interests to repay the outstanding loan.
- We invested \$13,458,000 in various third-party property technology and sustainability focused companies directly and indirectly through investment management funds during the year ended December 31, 2025. As of December 31, 2025, we have invested \$72,428,000 and have \$46,287,000 of remaining equity commitments to contribute to these investment management funds, with the timing and amount for these commitments to be fulfilled dependent on if, and when, investment opportunities are identified by the respective funds. During the year ended December 31, 2025, we recognized realized and unrealized gains of \$39,247,000 related to these investments, included as a component of income from unconsolidated investments on the Consolidated Statements of Comprehensive Income.

Supplemental U.S. Federal Income Tax Considerations

The following discussion supplements and updates the disclosures under the heading “Certain U.S. Federal Income Tax Considerations and Consequences of Your Investment” in the prospectus dated February 23, 2024, contained in our Registration Statement on Form S-3 (File No. 333-277313) filed with the SEC on February 23, 2024 (the “Existing Tax Disclosure”). Capitalized terms herein that are not otherwise defined shall have the same meaning as when used in the Existing Tax Disclosure.

On July 4, 2025, H.R. 1, informally known as the One Big Beautiful Bill Act (the “OBBB”), was enacted. The OBBB makes major changes to the Code, including some provisions of the Code that affect the taxation of REITs and their investors. In particular,

- For taxable years beginning on or after January 1, 2026, the OBBB relaxed the REIT asset test requirement with respect to taxable REIT subsidiaries, providing that not more than 25% (relaxed from 20%) of the gross value of a REIT’s assets may be represented by securities of one or more taxable REIT subsidiaries.
- The OBBB permanently extended the pass-through qualified business income deduction, generally allowing individuals to deduct 20% of the aggregate amount of ordinary REIT dividends distributed by a REIT. This deduction was due to expire for tax years beginning after December 31, 2025.

To the extent the information set forth in the Existing Tax Disclosure is inconsistent with this supplemental information, this supplemental information supersedes the information in the Existing Tax Disclosure. This supplemental information is provided on the same basis and subject to the same qualifications as are set forth in the first seven paragraphs of the Existing Tax Disclosure as if those paragraphs were set forth in this Form 10-K.

Structured Investment Program

During the year ended December 31, 2025, we entered into two additional commitments under the SIP, agreeing to provide an investment of up to \$48,000,000 in multifamily development projects. As of January 31, 2026, we had nine commitments to fund up to \$239,585,000 in the aggregate under the SIP. As of January 31, 2026, our investment commitments had a weighted average rate of return of 11.7% and a weighted average initial maturity date of May 2027. As of January 31, 2026, we had funded \$212,147,000 of these commitments. See Note 5, “Investments,” of the Consolidated Financial Statements included elsewhere in this report.

You should carefully review Part I, Item 1A. “Risk Factors” of this Form 10-K for a discussion of the risks associated with our investment activity.

Forward-Looking Statements

This Form 10-K contains “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The Company’s forward-looking statements generally use the words “believe,” “expect,” “anticipate,” “intend,” “estimate,” “assume,” “project,” “plan,” “may,” “shall,” “will,” “pursue” and other similar expressions that indicate future events and trends and do not report historical matters. These statements, among other things, address the Company’s intent, belief or expectations with respect to:

- development, redevelopment, acquisition or disposition of communities;
- the timing and cost of completion of communities under development or redevelopment;
- the timing of lease-up, occupancy and stabilization of communities;
- the pursuit of land for future development;
- the anticipated operating performance of our communities;
- cost, yield, revenue, NOI and earnings estimates;
- the impact of landlord-tenant laws and rent regulations, including rent caps;
- our expansion into new regions;
- our declaration or payment of dividends;
- our joint venture activities;
- our policies regarding investments, indebtedness, acquisitions, dispositions, financings and other matters;
- our qualification as a REIT under the Code;
- the real estate markets in regions where we operate and in general;
- the availability of debt and equity financing;

- interest rates;
- inflation, tariffs and other economic conditions, and their potential impacts;
- trends affecting our financial condition or results of operations;
- regulatory changes that may affect us; and
- the impact of legal proceedings.

We cannot assure the future results or outcome of the matters described in these statements; rather, these statements merely reflect our current expectations of the outcomes of the matters discussed. We do not undertake a duty to update these forward-looking statements, and therefore they may not represent our estimates and assumptions after the date of this report. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, some of which are beyond our control. These risks, uncertainties and other factors may cause our actual results, performance or achievements to differ materially from the anticipated future results, performance or achievements expressed or implied by these forward-looking statements. You should carefully review the discussion under Part I, Item 1A. "Risk Factors" in this Form 10-K for further discussion of risks associated with forward-looking statements.

Some of the factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements include, but are not limited to, the following:

- we may fail to secure development opportunities due to an inability to reach agreements with third parties to obtain land at attractive prices or to obtain desired zoning and other local approvals;
- we may abandon or defer development opportunities for a number of reasons, including changes in local market conditions which make development less desirable, increases in costs of development, increases in the cost of capital or lack of capital availability, resulting in losses;
- construction costs of a community may exceed original estimates;
- we may not complete construction and lease-up of communities under development or redevelopment on schedule, resulting in increased interest costs and construction costs and a decrease in expected rental revenues;
- occupancy rates and market rents may be adversely affected by competition and local economic and market conditions which are beyond our control;
- our cash flows from operations and access to cost-effective capital may be insufficient for the development of our pipeline, which could limit our pursuit of opportunities;
- an outbreak of disease or other public health event may affect the multifamily industry and general economy;
- our cash flows may be insufficient to meet required payments of principal and interest, and we may be unable to refinance existing indebtedness or the terms of such refinancing may not be as favorable as the terms of existing indebtedness;
- we may be unsuccessful in our management of joint ventures and the REIT vehicles that are used with certain joint ventures;
- we may experience a casualty loss, natural disaster or severe weather event, including those caused by climate change;
- new or existing laws and regulations implementing rent control or rent stabilization, or otherwise limiting our ability to increase rents, charge non-rent fees or evict tenants, may impact our revenue or increase our costs;
- our expectations, estimates and assumptions as of the date of this filing regarding legal proceedings may change;
- we may choose to pay dividends in our stock instead of cash, which may result in stockholders having to pay taxes with respect to such dividends in excess of the cash received, if any; and
- investments made under the SIP may not be repaid as expected or the development may not be completed on schedule, which could require us to engage in litigation, foreclosure actions, and/or first party project completion to recover our investment, which may not be recovered in full or at all in such event.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to use judgment in the application of accounting policies, including making estimates and assumptions. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different, or different assumptions were made, it is possible that different accounting policies would have been applied, resulting in different financial results or a different presentation of our financial statements. Below is a discussion of the accounting policies that we consider critical to an understanding of our financial condition and operating results that may require complex or significant judgment in their application or require estimates about matters which are inherently uncertain. A discussion of our significant accounting policies, including further discussion of the accounting policies described below, can be found in Note 1, "Organization, Basis of Presentation and Significant Accounting Policies," of our Consolidated Financial Statements.

Cost Capitalization

We capitalize costs during the development of assets. Capitalization begins when we determine that development of a future asset is probable and continues until the asset, or a portion of the asset, is delivered and is ready for its intended use. For redevelopment efforts, we capitalize costs either (i) in advance of taking apartment homes out of service when significant renovation of the common area has begun and continues until the redevelopment is completed, or (ii) when an apartment home is taken out of service for redevelopment and continues until the redevelopment is completed and the apartment home is available for a new resident. Rental income and operating expenses incurred during the initial lease-up or post-redevelopment lease-up period are fully recognized in earnings as they accrue.

During the development and redevelopment efforts we capitalize all direct costs and indirect costs which have been incurred as a result of the development and redevelopment activities. These costs include interest and related loan fees, property taxes as well as other direct and indirect costs. Interest is capitalized for any project-specific financing, as well as for general corporate financing to the extent of our aggregate investment in the projects. Indirect project costs, which include personnel and office and administrative costs that are clearly associated with our development and redevelopment efforts, are also capitalized. Capitalized indirect costs associated with our development and redevelopment activities are comprised primarily of compensation related costs for associates dedicated to our development and redevelopment efforts and total \$50,809,000 and \$50,343,000 for 2025 and 2024, respectively. The estimation of the direct and indirect costs to capitalize as part of our development and redevelopment activities requires judgment and, as such, we believe cost capitalization to be a critical accounting estimate.

There may be a change in our operating expenses in the event that there are changes in accounting guidance governing capitalization or changes to our levels of development or redevelopment activity. If changes in the accounting guidance limit our ability to capitalize costs or if we reduce our development and redevelopment activities without a corresponding decrease in indirect project costs, there may be an increase in our operating expenses.

We capitalize pre-development costs incurred in pursuit of Development Rights. These costs include legal fees, design fees and related overhead costs. Future development of these pursuits is dependent upon various factors, including zoning and regulatory approval, rental market conditions, construction costs and availability of capital. Pre-development costs incurred for pursuits for which future development is not yet considered probable are expensed as incurred. In addition, if the status of a Development Right changes, making future development no longer probable, any capitalized pre-development costs are written off with a charge to expense.

Due to the subjectivity in determining whether a pursuit will result in the development of an apartment community, and therefore should be capitalized, the accounting for pursuit costs is a critical accounting estimate. As of December 31, 2025, capitalized pursuit costs associated with Development Rights totaled \$73,237,000.

Abandoned Pursuit Costs & Asset Impairment

We evaluate our direct and indirect investments in real estate and other long-lived assets for impairment when potential indicators of impairment exist. If events or circumstances indicate that the carrying amount of a property may not be recoverable, we assess its recoverability by comparing the carrying amount of the property to its estimated undiscounted future cash flows. If the carrying amount exceeds the aggregate undiscounted future cash flows, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property. We assess land held for development for impairment if our intent changes with respect to the development of the land. We evaluate our unconsolidated investments for impairment, considering both the carrying value of the investment, estimated expected proceeds that it would receive if the entity were dissolved and the net assets were liquidated, as well as our proportionate share of any impairment of assets held by unconsolidated investments.

The assessment of impairment can involve subjectivity in determining if indicators are present and in estimating the future undiscounted cash flows or the fair value of an asset. Estimates of the undiscounted cash flows are sensitive to significant assumptions including future rental revenues, operating expenses, and our intent and ability to hold the related asset, which could be impacted by our expectations about the future economic, market or capital conditions.

We expense costs related to abandoned pursuits, which include the abandonment of Development Rights and costs related to development pursuits not yet considered probable for development, as well as costs incurred in pursuing the acquisition or disposition of assets for which such acquisition and disposition activity did not occur, of which we expensed \$10,846,000, \$18,341,000 and \$33,479,000 of these costs during the years ended December 31, 2025, 2024 and 2023, respectively. These

costs are included in expensed transaction, development and other pursuit costs, net of recoveries on the accompanying Consolidated Statements of Comprehensive Income. These costs can vary greatly, and the costs incurred in any given period may be significantly different in future years.

Our focus on value creation through real estate development presents an impairment risk in the event of a future deterioration of the real estate and/or capital markets or a decision by us to reduce or cease development. We cannot predict the occurrence of future events that may cause an impairment assessment to be performed, or the likelihood of any future impairment charges, if any. You should also review Item 1A. "Risk Factors" in this Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks from our financial instruments primarily from changes in market interest rates. Our financial instruments do not expose us to significant risk from foreign currency exchange rates or commodity or equity prices. We monitor interest rate risk as an integral part of our overall risk management, which recognizes the unpredictability of financial markets and seeks to reduce the potentially adverse effect on our results of operations. Our operating results are affected by changes in interest rates, primarily in short-term SOFR and the SIFMA index as a result of borrowings under our Credit Facility and Commercial Paper Program, outstanding bonds and unsecured debt with variable interest rates. In addition, the fair value of our fixed rate unsecured and secured debt is impacted by changes in market interest rates.

We currently use interest rate protection agreements in the form of interest rate cap agreements for our risk management objectives, as well as for compliance with the requirements of certain lenders, and not for trading or speculative purposes. In addition, we may use interest rate swap agreements for our risk management objectives. During the year ended December 31, 2025, in connection with the issuance of our \$400,000,000 unsecured notes in July 2025 maturing in August 2035 and our \$400,000,000 unsecured notes in December 2025 maturing in December 2030, we terminated \$300,000,000 of forward interest rate swap agreements designated as cash flow hedges of the interest rate variability on the issuance of unsecured notes, receiving payments of \$4,341,000 which are being recognized over the life of the unsecured notes as a reduction in the effective interest rate.

In addition, we have interest rate caps that serve to effectively limit the amount of interest rate expense we would incur on our outstanding floating rate borrowings. Further discussion of the financial instruments impacted and our exposure is presented below.

As of December 31, 2025 and 2024, we had \$390,550,000 and \$400,950,000, respectively, in variable rate debt outstanding. The variable rate debt outstanding as of December 31, 2025 excludes the fully hedged \$550,000,000 term loan and \$740,000,000 outstanding under our Commercial Paper Program. We had no amounts outstanding under our Credit Facility. If interest rates on the variable rate debt and commercial paper had been 100 basis points higher throughout 2025 and 2024, our annual interest incurred would have increased by approximately \$7,406,000 and \$4,102,000, respectively, based on balances outstanding during the applicable years.

Because the counterparties providing the interest rate cap and swap agreements are major financial institutions which have an A- or better credit rating by the Standard & Poor's Ratings Group or equivalent, we do not believe there is exposure at this time to a default by a counterparty provider.

In addition, changes in interest rates affect the fair value of our fixed rate debt, computed using quoted market prices for our unsecured debt or a discounted cash flow model for our secured notes, considering our current market yields, which impacts the fair value of our aggregate indebtedness. As of December 31, 2025, we had outstanding debt of \$9,388,152,000 with an estimated aggregate fair value of \$8,995,833,000 at December 31, 2025. Contractual fixed rate debt represented \$7,893,011,000 of the fair value at December 31, 2025. If interest rates had been 100 basis points higher as of December 31, 2025, the fair value of this fixed rate debt would have decreased by approximately \$396,398,000.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The response to this Item 8 is included as a separate section of this Annual Report on Form 10-K. See Item 15.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

- (a) Evaluation of Disclosure Controls and Procedures. As required by Rule 13a-15 under the Exchange Act, as of the end of the period covered by this report, the Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. We continue to review and document our disclosure controls and procedures, including our internal controls and procedures for financial reporting, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that our systems evolve with our business.
- (b) Management's Report on Internal Control Over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025 based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission 2013 Framework (COSO). Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

Our internal control over financial reporting as of December 31, 2025 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included elsewhere herein.

- (c) There were no changes to the internal control over financial reporting of the Company identified in connection with the Company's evaluation referred to above that occurred during the fourth quarter of 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

During the three months ended December 31, 2025, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 pertaining to directors and executive officers of the Company and the Company's Code of Conduct and insider trading policies and procedures is incorporated herein by reference to the Company's Proxy Statement to be filed with the SEC within 120 days after the end of the year covered by this Form 10-K with respect to the Annual Meeting of Stockholders.

The Company has insider trading policies and procedures (the "Insider Trading Policy") that govern the purchase, sale and other dispositions of its securities by directors, officers, and employees, as well as by the Company itself. We believe these policies and procedures are reasonably designed to promote compliance with insider trading laws, rules and regulations and applicable listing standards. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 pertaining to executive compensation is incorporated herein by reference to the Company's Proxy Statement to be filed with the SEC within 120 days after the end of the year covered by this Form 10-K with respect to the Annual Meeting of Stockholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 pertaining to security ownership of management and certain beneficial owners of the Company's common stock is incorporated herein by reference to the Company's Proxy Statement to be filed with the SEC within 120 days after the end of the year covered by this Form 10-K with respect to the Annual Meeting of Stockholders, except for the information regarding compensation plans under which equity securities are authorized for issuance as set forth below.

The Company maintains the Second Amended and Restated 2009 Equity Incentive Plan (the "Plan") and the 1996 Non-Qualified Employee Stock Purchase Plan (the "ESPP"), pursuant to which common stock or other equity awards may be issued or granted to eligible persons.

The following table gives information about equity awards under the Plan and the ESPP as of December 31, 2025:

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (1)	883,105 (2)	\$ 183.28 (3)	4,497,534
Equity compensation plans not approved by security holders (4)	—	N/A	529,908
Total	883,105	\$ 183.28 (3)	5,027,442

(1) Consists of the Plan.

(2) Includes 98,775 deferred restricted stock units granted under the Plan, which, subject to vesting requirements, will convert in the future to common stock on a one-for-one basis. Also includes the maximum number of shares that may be issued upon settlement of outstanding Performance Awards awarded to officers and maturing on December 31, 2025, 2026 and 2027. Does not include 167,179 shares of restricted stock that are outstanding and that are already reflected in the Company's outstanding shares.

(3) Excludes performance awards and deferred units granted under the Plan, which, subject to vesting requirements, will convert in the future to common stock on a one-for-one basis.

(4) Consists of the ESPP.

The ESPP, which was adopted by the Board of Directors on October 29, 1996, has not been approved by our shareholders. A further description of the ESPP appears in Note 9, "Stock-Based Compensation Plans," of the Consolidated Financial Statements set forth in Item 8 of this report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 pertaining to certain relationships and related transactions is incorporated herein by reference to the Company's Proxy Statement to be filed with the SEC within 120 days after the end of the year covered by this Form 10-K with respect to the Annual Meeting of Stockholders.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 pertaining to the fees paid to and services provided by the Company's principal accountant is incorporated herein by reference to the Company's Proxy Statement to be filed with the SEC within 120 days after the end of the year covered by this Form 10-K with respect to the Annual Meeting of Stockholders. Our independent public accounting firm is Ernst & Young LLP, Tysons, Virginia, PCAOB Auditor ID 42.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

15(a)(1) *Financial Statements*

Index to Financial Statements

Consolidated Financial Statements and Financial Statement Schedule:

Reports of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets as of December 31, 2025 and 2024	F-4
Consolidated Statements of Comprehensive Income for the years ended December 31, 2025, 2024 and 2023	F-5
Consolidated Statements of Equity for the years ended December 31, 2025, 2024 and 2023	F-6
Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023	F-7
Notes to Consolidated Financial Statements	F-10

15(a)(2) *Financial Statement Schedule*

Schedule III—Real Estate and Accumulated Depreciation	F-38
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All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

15(a)(3) *Exhibits*

The exhibits listed on the accompanying Index to Exhibits are filed as a part of this report.

ITEM 16. FORM 10-K SUMMARY

Not Applicable.

INDEX TO EXHIBITS

Exhibit No.	Description
3(i).1	— Articles of Amendment and Restatement of Articles of Incorporation of the Company, dated as of June 4, 1998. (Incorporated by reference to Exhibit 3(i).1 to Form 10-K of the Company filed March 1, 2007.)
3(i).2	— Articles of Amendment, dated as of October 2, 1998. (Incorporated by reference to Exhibit 3(i).2 to Form 10-K of the Company filed March 1, 2007.)
3(i).3	— Articles of Amendment, dated as of May 22, 2013. (Incorporated by reference to Exhibit 3(i).3 to Form 8-K of the Company filed May 22, 2013.)
3(i).4	— Articles of Amendment, dated as of May 14, 2020. (Incorporated by reference to Exhibit 3(i).4 to Form 8-K of the Company filed May 15, 2020.)
3(i).5	— Composite restatement of Articles of Amendment and Restatement of Articles of Incorporation of the Company, dated as of June 4, 1998, as amended by the Articles of Amendment, dated as of October 2, 1998, the Articles of Amendment, dated as of May 22, 2013, and the Articles of Amendment, dated as of May 14, 2020. (Incorporated by reference to Exhibit 3(i).5 to Form 10-Q of the Company filed November 3, 2023.)
3(ii).1	— Amended and Restated Bylaws of the Company, as adopted by the Board of Directors on October 30, 2023. (Incorporated by reference to Exhibit 3.1 to Form 8-K of the Company filed October 30, 2023.)
4.1	— Indenture for Senior Debt Securities, dated as of January 16, 1998, between the Company and State Street Bank and Trust Company, as Trustee. (Incorporated by reference to Exhibit 4.1 to Registration Statement on Form S-3 of the Company (File No. 333-139839), filed January 8, 2007.)
4.2	— Amended and Restated Third Supplemental Indenture, dated as of July 10, 2000 between the Company and State Street Bank and Trust Company, as Trustee. (Incorporated by reference to Exhibit 4.4 to Registration Statement on Form S-3 of the Company (File No. 333-139839), filed January 8, 2007.)
4.3	— Fourth Supplemental Indenture, dated as of September 18, 2006, between the Company and U.S. Bank National Association as Trustee. (Incorporated by reference to Exhibit 4.5 to Registration Statement on Form S-3 of the Company (File No. 333-139839), filed January 8, 2007.)
4.4	— Fifth Supplemental Indenture, dated as of November 21, 2014, between the Company and the Bank of New York Mellon, as Trustee. (Incorporated by reference to Exhibit 4.1 to Form 8-K of the Company filed November 21, 2014.)
4.5	— Indenture for Debt Securities, dated as of February 23, 2018, between the Company and The Bank of New York Mellon, as Trustee (Incorporated by reference to Exhibit 4.1 to Form 8-K of the Company filed September 15, 2021.)
4.6	— First Supplemental Indenture, dated as March 26, 2018, between the Company and the Bank of New York Mellon, as Trustee, (Incorporated by reference to Exhibit 4.8 to Form 10-Q of the Company filed May 4, 2018.)
4.7	— Second Supplemental Indenture, dated as of May 29, 2018, between the Company and the Bank of New York Mellon, as Trustee, (Incorporated by reference to Exhibit 4.3 to Form 8-K of the Company, filed May 29, 2018.)
4.8	— Indenture for Debt Securities, dated as of February 23, 2024, between the Company and U.S. Bank Trust Company, National Association. (Incorporated by reference to Exhibit 4.8 to Form 10-K of the Company filed February 23, 2024.)
4.9	— First Supplemental Indenture, dated as of May 14, 2024, between the Company and U.S. Bank Trust Company, National Association, including the form of 5.350% Senior Notes due 2034 (Incorporated by reference to Exhibit 4.2 to Form 8-K of the Company filed May 14, 2024.)
4.10	— Second Supplemental Indenture, dated as of July 10, 2025, between the Company and U.S. Bank Trust Company, National Association, including the form of 5.000% Senior Notes due 2035 (Incorporated by reference to Exhibit 4.2 to Form 8-K of the Company filed July 10, 2025.)
4.11	— Third Supplemental Indenture, dated as of December 1, 2025, between the Company and U.S. Bank Trust Company, National Association, including the form of 4.350% Senior Notes due 2030 (Incorporated by reference to Exhibit 4.2 to Form 8-K of the Company filed December 1, 2025.)

- 4.12 — Dividend Reinvestment and Stock Purchase Plan of the Company. (Incorporated by reference to the prospectus contained in the Registration Statement on Form S-3DPOS of the Company (File No. 333-87063), filed February 23, 2018.)
- 4.13 — Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934. (Incorporated by reference to Exhibit 4.10 to Form 10-K of the Company filed February 23, 2024.)
- 4.14 — Form of 2.050% Senior Notes due 2032 (Incorporated by reference to Exhibit 4.4 to Form 8-K of the Company filed September 15, 2021.)
- 4.15 — Form of 1.900% Senior Notes due 2028 (Incorporated by reference to Exhibit 4.4 to Form 8-K of the Company filed November 18, 2021.)
- 4.16 — Form of 5.000% Senior Notes due 2033 (Incorporated by reference to Exhibit 4.4 to Form 8-K of the Company filed December 7, 2022.)
- 4.17 — Form of 5.300% Senior Notes due 2033 (Incorporated by reference to Exhibit 4.4 to Form 8-K of the Company filed December 7, 2023.)
- 10.1+ — AvalonBay Communities, Inc. Second Amended and Restated 2009 Equity Incentive Plan, as restated to reflect the First Amendment, Second Amendment, Third Amendment and Fourth Amendment thereto. (Incorporated by reference to Exhibit 10.1 to Form 10-K of the Company filed February 24, 2023.)
- 10.2+ — Form of Stock Grant and Restricted Stock Agreement for use with officers and associates. (Incorporated by reference to Exhibit 10.2 to Form 10-K of the Company filed February 27, 2025.)
- 10.3+ — Form of Incentive Stock Option/Non-Qualified Stock Option Agreement for use with officers and associates. (Incorporated by reference to Exhibit 10.3 to Form 10-K of the Company filed February 27, 2025.)
- 10.4+ — Third Amended and Restated Directors Deferred Compensation Program (Incorporated by reference to Exhibit 10.3 to Form 10-Q of the Company filed November 6, 2025.)
- 10.5+ — Form of Director Restricted Stock Agreement. (Incorporated by reference to Exhibit 10.5 to Form 8-K of the Company filed February 22, 2018.)
- 10.6+ — Form of Director Restricted Unit Agreement (deferred stock award) (2018). (Incorporated by reference to Exhibit 10.6 of Form 8-K of the Company filed February 22, 2018.)
- 10.7+ — Form of Director Restricted Stock Unit Agreement (2024). (Incorporated by reference to Exhibit 10.7 to Form 10-K of the Company filed February 23, 2024.)
- 10.8+ — Form of Director Restricted Stock Unit Agreement (2026). (Incorporated by reference to Exhibit 10.4 to Form 10-Q of the Company filed November 6, 2025.)
- 10.9+ — Form of Agreement for Grant of Performance-Based Restricted Stock Units with attached Award Terms (subject to changes in the following: weightings; target, threshold and maximum levels of achievement; and metrics used). (Incorporated by reference to Exhibit 10.7 to Form 10-K of the Company filed February 24, 2023.)
- 10.10+ — Form of Indemnification Agreement between the Company and its Directors. (Incorporated by reference to Exhibit 10.9 to Form 10-K of the Company filed February 27, 2025.)
- 10.11+ — The Company's Officer Severance Plan, as amended and restated on February 25, 2021. (Incorporated by reference to Exhibit 10.2 to Form 10-Q of the Company filed May 5, 2021.)
- 10.12 — Seventh Amended and Restated Revolving Loan Agreement, dated as of April 3, 2025, among the Company, as borrower, Bank of America, N.A., as administrative agent, an issuing bank and a bank, JPMorgan Chase Bank, N.A., as an issuing bank, a bank and a syndication agent, Wells Fargo Bank, N.A., as an issuing bank, a bank and a syndication agent, the co-documentation agents and senior managing agents named therein, JPMorgan Chase Bank, N.A., BofA Securities, Inc., and Wells Fargo Securities, LLC as joint bookrunners and joint lead arrangers, and the other bank parties signatory thereto. (Incorporated by reference to Exhibit 10.1 to Form 8-K of the Company filed April 4, 2025.)

- 10.13 — Amendment No. 1 to Seventh Amended and Restated Revolving Loan Agreement, dated as of August 1, 2025. (Incorporated by reference to Exhibit 10.2 to Form 10-Q of the Company filed August 7, 2025.)
- 10.14 — Term Loan Agreement, dated as of April 3, 2025, among the Company, as borrower, Truist Bank, as administrative agent and a bank, TD Bank, N.A., as a bank and a syndication agent, Mizuho Bank, Ltd., as a bank and a syndication agent, Truist Securities, Inc., TD Bank, N.A., and Mizuho Bank, Ltd., as joint bookrunners and joint lead arrangers, and the other bank parties signatory thereto. (Incorporated by reference to Exhibit 10.2 to Form 8-K of the Company filed April 4, 2025.)
- 10.15 — Amendment No. 1 to Term Loan Agreement, dated as of August 1, 2025. (Incorporated by reference to Exhibit 10.4 to Form 10-Q of the Company filed August 7, 2025.)
- 10.16+ — Amended and Restated AvalonBay Communities, Inc. Deferred Compensation Plan, effective as of January 1, 2011. (Incorporated by reference to Exhibit 10.1 to Form 10-Q of the Company filed August 6, 2010.)
- 10.17+ — First Amendment to Amended and Restated AvalonBay Communities, Inc. Deferred Compensation Plan, effective as of November 7, 2011. (Incorporated by reference to Exhibit 10.28 to Form 10-K of the Company filed February 24, 2017.)
- 10.18+ — Second Amendment to Amended and Restated AvalonBay Communities, Inc. Deferred Compensation Plan, effective as of November 15, 2012. (Incorporated by reference to Exhibit 10.29 to Form 10-K of the Company filed February 24, 2017.)
- 10.19 — Archstone Residual JV, LLC Limited Liability Company Agreement. (Incorporated by reference to Exhibit 10.3 to Form 8-K of the Company filed March 5, 2013.)
- 10.20 — Archstone Parallel Residual JV, LLC Limited Liability Company Agreement. (Incorporated by reference to Exhibit 10.4 to Form 8-K of the Company filed March 5, 2013.)
- 10.21 — Archstone Parallel Residual JV 2, LLC Limited Liability Company Agreement. (Incorporated by reference to Exhibit 10.5 to Form 8-K of the Company filed March 5, 2013.)
- 10.22 — Legacy Holdings JV, LLC Limited Liability Company Agreement. (Incorporated by reference to Exhibit 10.6 to Form 8-K of the Company filed March 5, 2013.)
- 10.23+ — Employment Agreement between the Company and Benjamin W. Schall, dated as of December 4, 2020 (Incorporated by reference to Exhibit 10.1 to Form 8-K of the Company filed December 10, 2020.)
- 10.24+ — Form of Incentive Stock Option/Non-Qualified Stock Option Agreement for use with officers and associates for 2021 Supplemental Awards. (Incorporated by reference to Exhibit 10.3 to Form 10-Q of the Company filed May 5, 2021.)
- 19.1 — AvalonBay Communities, Inc. Insider Trading Policy. (Incorporated by reference to Exhibit 19.1 to Form 10-K of the Company filed February 27, 2025.)
- 21.1 — Schedule of Subsidiaries of the Company. (Filed herewith.)
- 23.1 — Consent of Ernst & Young LLP. (Filed herewith.)
- 31.1 — Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer). (Filed herewith.)
- 31.2 — Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer). (Filed herewith.)
- 32 — Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer and Chief Financial Officer). (Furnished herewith.)
- 97 — AvalonBay Communities, Inc. Compensation Recovery Policy. (Incorporated by reference to Exhibit 97 to Form 10-K of the Company filed February 23, 2024.)

- 101 — Financial materials from AvalonBay Communities, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2025 formatted in Inline XBRL (Extensible Business Reporting Language) including: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Statements of Equity, (iv) the Consolidated Statements of Cash Flows and (v) Notes to the Consolidated Financial Statements. (Filed herewith.)
- 104 — Cover Page Interactive Data File (embedded within the Inline XBRL document). (Filed herewith.)

+ Management contract or compensatory plan or arrangement required to be filed or incorporated by reference as an exhibit to this Form 10-K pursuant to Item 15(a)(3) of Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AvalonBay Communities, Inc.

Date: February 27, 2026 By: /s/ BENJAMIN W. SCHALL
*Benjamin W. Schall, Director, Chief Executive Officer and President
(Principal Executive Officer)*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: February 27, 2026 By: /s/ BENJAMIN W. SCHALL
Benjamin W. Schall, Director, Chief Executive Officer and President
(Principal Executive Officer)

Date: February 27, 2026 By: /s/ KEVIN P. O'SHEA
Kevin P. O'Shea, Chief Financial Officer
(Principal Financial Officer)

Date: February 27, 2026 By: /s/ SEAN T. WILLSON
Sean T. Willson, Senior Vice President - Corporate Controller
(Principal Accounting Officer)

Date: February 27, 2026 By: /s/ GLYN F. AEPPEL
Glyn F. Aepfel, Director

Date: February 27, 2026 By: /s/ CONOR C. FLYNN
Conor C. Flynn, Director

Date: February 27, 2026 By: /s/ TERRY S. BROWN
Terry S. Brown, Director

Date: February 27, 2026 By: /s/ RONALD L. HAVNER, JR.
Ronald L. Havner, Jr., Director

Date: February 27, 2026 By: /s/ STEPHEN P. HILLS
Stephen P. Hills, Director

Date: February 27, 2026 By: /s/ CHRISTOPHER B. HOWARD
Christopher B. Howard, Director

Date: February 27, 2026 By: /s/ RICHARD J. LIEB
Richard J. Lieb, Director

Date: February 27, 2026 By: /s/ NNENNA LYNCH
Nnenna Lynch, Director

Date: February 27, 2026 By: /s/ CHARLES E. MUELLER, JR.
Charles E. Mueller, Jr., Director

Date: February 27, 2026 By: /s/ TIMOTHY J. NAUGHTON
Timothy J. Naughton, Director (Chairman of the Board of Directors)

Date: February 27, 2026 By: /s/ SUSAN SWANEZY
Susan Swanezy, Director

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of AvalonBay Communities, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of AvalonBay Communities, Inc. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 27, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosure to which it relates.

Valuation of Deferred Development Costs and Land Held for Development

*Description of
the Matter*

As of December 31, 2025, the Company's deferred development costs and land held for development totaled \$73.2 million and \$123.8 million, respectively, collectively "Development Rights". As discussed in Footnote 1 of the consolidated financial statements, the Company capitalizes costs associated with its development activities to the basis of land held when future development is probable, or if the Company has either not yet acquired the land or if the project is subject to a leasehold interest, the costs are capitalized as deferred development costs. Future development is dependent upon various factors, including zoning and regulatory approvals, rental market conditions, construction costs and the availability of capital.

Auditing the valuation of deferred development costs and land held for development involved a high degree of subjectivity as management's assessment of the probability that future development will occur was highly judgmental and subject to the various factors affecting future development discussed above. The Company's assessment of probability of future development included an analysis of the likelihood of factors outside their control that could prevent the development from occurring and factors that could cause the Company to decide not to pursue or complete the development.

*How We
Addressed
the Matter
in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process to assess the valuation of deferred development costs and land held for development. For example, we tested controls over the Company's pursuit monitoring process and management's review of the probability assessment related to future development.

Our procedures included, among others, evaluating the Company's determination that the future development is probable. We performed procedures to test the accuracy and completeness of the information included in the Company's qualitative analysis by agreeing data to underlying agreements, communications, minutes of management's quarterly development meetings, and third-party evidence, where available. We further assessed the likelihood of the Company's ability to obtain zoning and regulatory approvals for developments by considering, among other things, the Company's prior experience with other development projects and the current status of the future projects for which pursuit or development rights costs were capitalized or land was held for development. We also met with executives who lead the Company's development team to further understand the probability of future development.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Tysons, Virginia
February 27, 2026

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of AvalonBay Communities, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited AvalonBay Communities, Inc.'s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, AvalonBay Communities, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) and our report dated February 27, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting in Item 9A. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Tysons, Virginia
February 27, 2026

AVALONBAY COMMUNITIES, INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share data)

	December 31, 2025	December 31, 2024
ASSETS		
Real estate:		
Land and improvements	\$ 4,960,568	\$ 4,888,146
Buildings and improvements	21,252,137	20,454,276
Furniture, fixtures and equipment	1,546,813	1,387,506
	<u>27,759,518</u>	<u>26,729,928</u>
Less accumulated depreciation	(8,686,084)	(8,164,411)
Net operating real estate	19,073,434	18,565,517
Construction in progress, including land	1,458,795	1,042,673
Land held for development	123,751	151,922
Real estate assets held for sale, net	150,262	6,950
Total real estate, net	<u>20,806,242</u>	<u>19,767,062</u>
Cash and cash equivalents	187,234	108,576
Restricted cash	165,849	158,500
Unconsolidated investments	193,441	227,320
Deferred development costs	73,237	43,675
Prepaid expenses and other assets	618,597	540,950
Right of use lease assets	147,537	154,654
Total assets	<u>\$ 22,192,137</u>	<u>\$ 21,000,737</u>
LIABILITIES AND EQUITY		
Unsecured debt, net	\$ 7,879,380	\$ 7,358,784
Variable rate unsecured credit facility and commercial paper, net	739,608	—
Mortgage notes payable, net	709,564	718,465
Dividends payable	250,548	244,967
Payables for construction	92,267	85,954
Accrued expenses and other liabilities	391,973	356,987
Lease liabilities	165,200	173,282
Accrued interest payable	68,591	58,377
Resident security deposits	60,689	62,829
Total liabilities	<u>10,357,820</u>	<u>9,059,645</u>
Commitments and contingencies		
Equity:		
Preferred stock, \$0.01 par value; \$25 liquidation preference; 50,000,000 shares authorized at December 31, 2025 and December 31, 2024; zero shares issued and outstanding at December 31, 2025 and December 31, 2024	—	—
Common stock, \$0.01 par value; 280,000,000 shares authorized at December 31, 2025 and December 31, 2024; 140,080,657 and 142,254,022 shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively	1,401	1,422
Additional paid-in capital	11,212,296	11,314,116
Accumulated earnings less dividends	371,157	591,250
Accumulated other comprehensive income	26,486	34,304
Total stockholders' equity	<u>11,611,340</u>	<u>11,941,092</u>
Noncontrolling interests	222,977	—
Total equity	<u>11,834,317</u>	<u>11,941,092</u>
Total liabilities and equity	<u>\$ 22,192,137</u>	<u>\$ 21,000,737</u>

See accompanying notes to Consolidated Financial Statements.

AVALONBAY COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands, except per share data)

	For the year ended December 31,		
	2025	2024	2023
Revenue:			
Rental and other income	\$ 3,033,683	\$ 2,906,676	\$ 2,760,187
Management, development and other fees	7,042	7,081	7,722
Total revenue	<u>3,040,725</u>	<u>2,913,757</u>	<u>2,767,909</u>
Expenses:			
Operating expenses, excluding property taxes	778,171	745,846	681,338
Property taxes	342,743	327,611	306,794
Expensed transaction, development and other pursuit costs, net of recoveries	10,846	18,341	33,479
Interest expense, net	259,181	226,589	205,992
Loss on extinguishment of debt, net	—	—	150
Depreciation expense	913,376	846,853	816,965
General and administrative expense	86,679	77,697	76,534
Casualty and impairment loss	1,276	2,935	9,118
Total expenses	<u>2,392,272</u>	<u>2,245,872</u>	<u>2,130,370</u>
Income from unconsolidated investments	39,691	32,231	8,436
Structured Investment Program interest income	27,476	18,451	5,018
Gain on sale of communities, net	335,713	363,300	287,424
Other real estate activity	4,131	753	174
Income before income taxes	1,055,464	1,082,620	938,591
Income tax benefit (expense)	1,135	(445)	(10,153)
Net income	1,056,599	1,082,175	928,438
Net (income) loss attributable to noncontrolling interests	(5,298)	(181)	387
Net income attributable to common stockholders	<u>\$ 1,051,301</u>	<u>\$ 1,081,994</u>	<u>\$ 928,825</u>
Other comprehensive income:			
(Loss) gain on cash flow hedges	(4,488)	18,659	13,332
Cash flow hedge (gains) losses reclassified to earnings	(3,330)	(471)	1,360
Comprehensive income	<u>\$ 1,043,483</u>	<u>\$ 1,100,182</u>	<u>\$ 943,517</u>
Earnings per common share - basic:			
Net income attributable to common stockholders	<u>\$ 7.40</u>	<u>\$ 7.61</u>	<u>\$ 6.56</u>
Earnings per common share - diluted:			
Net income attributable to common stockholders	<u>\$ 7.40</u>	<u>\$ 7.60</u>	<u>\$ 6.56</u>

See accompanying notes to Consolidated Financial Statements.

AVALONBAY COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(Dollars in thousands)

	Common stock shares issued	Common stock	Additional paid-in capital	Accumulated earnings less dividends	Accumulated other comprehensive (loss) income	Total stockholder's equity	Noncontrolling interests	Total equity
Balance at December 31, 2022	139,916,864	\$ 1,400	\$ 10,765,508	\$ 485,221	\$ 1,424	\$ 11,253,553	\$ —	\$ 11,253,553
Net income attributable to common stockholders	—	—	—	928,825	—	928,825	—	928,825
Gain on cash flow hedges, net	—	—	—	—	13,332	13,332	—	13,332
Cash flow hedge losses reclassified to earnings	—	—	—	—	1,360	1,360	—	1,360
Noncontrolling interest activity	—	—	—	(1,217)	—	(1,217)	—	(1,217)
Dividends declared to common stockholders (\$6.60 per share)	—	—	—	(935,305)	—	(935,305)	—	(935,305)
Issuance of common stock, net of withholdings	2,120,392	20	485,029	1,635	—	486,684	—	486,684
Repurchase of common stock, including repurchase costs	(11,800)	—	(908)	(1,003)	—	(1,911)	—	(1,911)
Stock-based compensation expense	—	—	37,997	—	—	37,997	—	37,997
Balance at December 31, 2023	142,025,456	1,420	11,287,626	478,156	16,116	11,783,318	—	11,783,318
Net income attributable to common stockholders	—	—	—	1,081,994	—	1,081,994	—	1,081,994
Gain on cash flow hedges, net	—	—	—	—	18,659	18,659	—	18,659
Cash flow hedge gains reclassified to earnings	—	—	—	—	(471)	(471)	—	(471)
Noncontrolling interest activity	—	—	(77)	—	—	(77)	—	(77)
Dividends declared to common stockholders (\$6.80 per share)	—	—	—	(969,345)	—	(969,345)	—	(969,345)
Issuance of common stock, net of withholdings	228,566	2	(9,875)	445	—	(9,428)	—	(9,428)
Stock-based compensation expense	—	—	36,442	—	—	36,442	—	36,442
Balance at December 31, 2024	142,254,022	1,422	11,314,116	591,250	34,304	11,941,092	—	11,941,092
Net income	—	—	—	1,051,301	—	1,051,301	5,298	1,056,599
Loss on cash flow hedges, net	—	—	—	—	(4,488)	(4,488)	—	(4,488)
Cash flow hedge gains reclassified to earnings	—	—	—	—	(3,330)	(3,330)	—	(3,330)
Issuance of DownREIT Units	—	—	—	—	—	—	222,653	222,653
Dividends declared to noncontrolling interests (\$4.69 per share)	—	—	—	—	—	—	(4,974)	(4,974)
Dividends declared to common stockholders (\$7.00 per share)	—	—	—	(993,683)	—	(993,683)	—	(993,683)
Issuance of common stock, net of withholdings	505,354	6	71,641	(1,094)	—	70,553	—	70,553
Repurchase of common stock, including repurchase costs	(2,678,719)	(27)	(211,471)	(276,617)	—	(488,115)	—	(488,115)
Amortization of deferred compensation	—	—	38,010	—	—	38,010	—	38,010
Balance at December 31, 2025	<u>140,080,657</u>	<u>\$ 1,401</u>	<u>\$ 11,212,296</u>	<u>\$ 371,157</u>	<u>\$ 26,486</u>	<u>\$ 11,611,340</u>	<u>\$ 222,977</u>	<u>\$ 11,834,317</u>

See accompanying notes to Consolidated Financial Statements.

AVALONBAY COMMUNITIES, INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For the year ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net income	\$ 1,056,599	\$ 1,082,175	\$ 928,438
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	913,376	846,853	816,965
Amortization of deferred financing costs and debt discount	13,685	13,280	12,732
Loss on extinguishment of debt, net	—	—	150
Amortization of stock-based compensation	26,458	25,373	27,142
Equity in (income) loss of, and return on, unconsolidated investments and noncontrolling interests, net of eliminations	(23,610)	(21,693)	5,332
Casualty and impairment loss	1,276	1,415	4,622
Expensed transaction, development and other pursuit costs, net of recoveries	10,846	18,341	33,479
Cash flow hedge (gains) losses reclassified to earnings	(1,292)	(471)	1,360
Gain on sale of real estate assets, net	(339,954)	(364,159)	(287,987)
Increase in accrued interest receivable	(26,124)	(14,582)	(5,803)
(Increase) decrease in prepaid expenses and other assets	(3,182)	(16,576)	11,580
Increase in accrued expenses, other liabilities, accrued interest payable and resident security deposits	43,027	37,922	12,019
Net cash provided by operating activities	<u>1,671,105</u>	<u>1,607,878</u>	<u>1,560,029</u>
Cash flows from investing activities:			
Development/redevelopment of real estate assets including land acquisitions and deferred development costs	(1,209,454)	(951,101)	(901,847)
Acquisition of real estate assets, including partnership interest	(682,163)	(464,419)	(215,889)
Capital expenditures - existing real estate assets	(261,769)	(193,348)	(178,312)
Capital expenditures - non-real estate assets	(3,173)	(4,678)	(18,962)
Increase (decrease) in payables for construction	6,313	(1,749)	14,901
Proceeds from sale of real estate, net of selling costs	799,419	711,279	467,096
Note receivable lending	(24,079)	(90,088)	(82,802)
Note receivable payments	15,048	237	253
Distributions from unconsolidated entities and investment sale proceeds	7,500	11,178	5,468
Unconsolidated investments	(40,009)	(14,175)	(18,861)
Net cash used in investing activities	<u>(1,392,367)</u>	<u>(996,864)</u>	<u>(928,955)</u>
Cash flows from financing activities:			
Issuance of common stock, net	86,645	10,535	496,706
Repurchase of common stock, net	(488,115)	—	(1,911)
Dividends paid	(992,333)	(961,914)	(922,657)
Net borrowings under unsecured credit facility and commercial paper	739,608	—	—
Repayments of mortgage notes payable, including prepayment penalties	(11,465)	(9,793)	(47,000)
Issuance of unsecured debt	1,347,312	398,788	399,756
Repayment of unsecured debt	(825,000)	(300,000)	(750,000)
Payment of deferred financing costs	(23,147)	(3,763)	(3,964)
Receipt for termination of forward interest rate swaps	4,341	16,839	8,331
Payments related to tax withholding for share-based compensation	(16,713)	(16,883)	(10,639)
Noncontrolling interests, joint venture and preferred equity transactions	(13,864)	(8,707)	(2,981)
Net cash used in financing activities	<u>(192,731)</u>	<u>(874,898)</u>	<u>(834,359)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	86,007	(263,884)	(203,285)
Cash, cash equivalents and restricted cash, beginning of year	267,076	530,960	734,245
Cash, cash equivalents and restricted cash, end of year	<u>\$ 353,083</u>	<u>\$ 267,076</u>	<u>\$ 530,960</u>
Cash paid during the year for interest, net of amount capitalized	<u>\$ 236,549</u>	<u>\$ 213,253</u>	<u>\$ 187,523</u>

See accompanying notes to Consolidated Financial Statements.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported with the Consolidated Statements of Cash Flows (dollars in thousands):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash and cash equivalents	\$ 187,234	\$ 108,576	\$ 397,890
Restricted cash	165,849	158,500	133,070
Cash, cash equivalents and restricted cash reported in the Consolidated Statements of Cash Flows	<u>\$ 353,083</u>	<u>\$ 267,076</u>	<u>\$ 530,960</u>

Supplemental disclosures of non-cash investing and financing activities:

During the year ended December 31, 2025:

- As described in Note 4, "Equity," the Company issued 183,260 shares of common stock as part of the Company's stock-based compensation plans, of which 103,332 shares related to the conversion of performance awards to shares of common stock, and the remaining 79,928 shares valued at \$17,678,000 were issued in connection with new stock grants; 3,761 shares valued at \$749,000 were issued through the Company's dividend reinvestment plan; 74,517 shares valued at \$16,678,000 were withheld to satisfy employees' tax withholding and other liabilities; and 3,116 restricted shares with an aggregate value of \$614,000 were forfeited.
- The Company acquired six apartment communities, in the Dallas-Fort Worth metropolitan area, containing 1,844 apartment homes for \$415,579,000, with the consideration comprised of a cash payment of \$193,000,000 and the issuance of 1,059,995 units representing limited partnership interests (the "DownREIT Units").
- Common stock and DownREIT Unit dividends declared but not paid totaled \$247,436,000.
- The Company recorded (i) a decrease to prepaid expenses and other assets of \$4,488,000 and a corresponding adjustment to accumulated other comprehensive income; and (ii) reclassified \$3,330,000 of cash flow hedge gains from other comprehensive income to interest expense, net, to record the impact of the Company's derivative and hedging activity.

During the year ended December 31, 2024:

- The Company issued 250,806 shares of common stock as part of the Company's stock-based compensation plans, of which 146,725 shares related to the conversion of performance awards to shares of common stock, and the remaining 104,081 shares valued at \$18,020,000 were issued in connection with new stock grants; 12,290 shares valued at \$1,972,000 were issued in conjunction with the conversion of deferred stock awards; 3,533 shares valued at \$690,000 were issued through the Company's dividend reinvestment plan; 94,288 shares valued at \$16,892,000 were withheld to satisfy employees' tax withholding and other liabilities; and 4,408 restricted shares with an aggregate value of \$801,000 were forfeited.
- Common stock dividends declared but not paid totaled \$243,479,000.
- The Company recorded (i) an increase to prepaid expenses and other assets of \$18,659,000 and a corresponding adjustment to accumulated other comprehensive income; and (ii) reclassified \$471,000 of cash flow hedge gains from other comprehensive income to interest expense, net, to record the impact of the Company's derivative and hedging activity.
- The Company recorded \$25,719,000 of lease liabilities and offsetting right of use lease assets related to the execution of one new ground lease for a development right.

During the year ended December 31, 2023:

- The Company issued 153,162 shares of common stock as part of the Company's stock based compensation plans, of which 60,016 shares related to the conversion of performance awards to shares of common stock, and the remaining 93,146 shares valued at \$16,552,000 were issued in connection with new stock grants; 3,454 shares valued at \$619,000 were issued through the Company's dividend reinvestment plan; 62,937 shares valued at \$10,639,000 were withheld to satisfy employees' tax withholding and other liabilities; and 2,119 restricted shares with an aggregate value of \$413,000 were forfeited.
- Common stock dividends declared but not paid totaled \$236,133,000.
- The Company recorded (i) an increase to prepaid expenses and other assets of \$13,332,000 and a corresponding adjustment to accumulated other comprehensive income; and (ii) reclassified \$1,360,000 of cash flow hedge losses from other comprehensive income to interest expense, net, to record the impact of the Company's derivative and hedging activity.
- The Company assumed a \$63,041,000 fixed rate mortgage loan in conjunction with the acquisition of Avalon West Plano.

See accompanying notes to Consolidated Financial Statements.

AVALONBAY COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization, Basis of Presentation and Significant Accounting Policies

Organization and Basis of Presentation

AvalonBay Communities, Inc. (the "Company," which term, unless the context otherwise requires, refers to AvalonBay Communities, Inc. together with its subsidiaries) is a Maryland corporation that has elected to be treated as a real estate investment trust ("REIT") for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). The Company develops, redevelops, acquires, owns and operates multifamily communities in New England, the New York/New Jersey metro area, the Mid-Atlantic, the Pacific Northwest, and Northern and Southern California, as well as in the Company's expansion regions of Raleigh-Durham and Charlotte, North Carolina, Southeast Florida, Dallas and Austin, Texas, and Denver, Colorado.

At December 31, 2025, the Company owned or held a direct or indirect ownership interest in 320 apartment communities containing 98,694 apartment homes in 11 states and the District of Columbia, of which 24 communities were under construction. The Company also owned or held a direct or indirect ownership interest in land or rights to land on which the Company expects to develop an additional 32 communities that, if developed as expected, will contain an estimated 9,032 apartment homes (unaudited).

Capitalized terms used without definition have meanings provided elsewhere in this Form 10-K.

Principles of Consolidation

The accompanying Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, certain joint venture partnerships, subsidiary partnerships structured as DownREITs, and any variable interest entities that qualify for consolidation. All significant intercompany balances and transactions have been eliminated in consolidation.

The Company accounts for joint venture entities and subsidiary partnerships in accordance with the consolidation guidance. The Company determines first whether to follow the variable interest entity ("VIE") or the voting interest entity ("VOE") model for each joint venture entity. The Company then evaluates whether it should consolidate the venture. Under the VIE model, the Company consolidates an investment when it has control to direct the activities of the venture and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The Company's maximum exposure for its VIEs is limited to its investments in the respective VIEs and its portion of any loan guarantee. Under the VOE model, the Company consolidates an investment when (i) it controls the investment through ownership of a majority voting interest if the investment is not a limited partnership or (ii) it controls the investment through its ability to remove the other partners in the investment, at its discretion, when the investment is a limited partnership.

The Company generally uses the equity method of accounting or net asset value ("NAV") for its unconsolidated investments, including when the Company holds a noncontrolling limited partner interest in a joint venture. Any investment in excess of the Company's cost basis at acquisition or formation of an equity method venture that owns real estate, will be recorded as a component of the Company's investment in the joint venture and recognized over the life of the underlying fixed assets of the venture as a reduction to its equity in income from the venture. Investments in which the Company has little or no influence are accounted for using the measurement alternative with the carrying amount of the investment adjusted to fair value when there is an observable transaction indicating a change in fair value.

Real Estate

Operating real estate assets are stated at cost and consist of land and improvements, buildings and improvements, furniture, fixtures and equipment, and other costs incurred during their development, redevelopment and acquisition. Significant expenditures that improve or extend the life of an existing asset and that will benefit the Company for periods greater than a year are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Project costs related to the development, construction and redevelopment of real estate projects (including interest and related loan fees, property taxes and other direct costs) are capitalized as a cost of the project. Indirect project costs that relate to several projects are capitalized and allocated to the projects to which they relate. Indirect costs not clearly related to development, construction and redevelopment activity are expensed as incurred. For development, capitalization (i) begins when the Company has determined that development of the future asset is probable, (ii) can be suspended if there is no current

development activity underway, but future development is still probable and (iii) ends when the asset, or a portion of an asset, is ready for its intended use, or the Company's intended use changes such that capitalization is no longer appropriate.

For land parcels acquired for development improved with operating real estate, the Company generally manages the improvements until all tenant obligations have been satisfied or eliminated through negotiation, and construction of new apartment communities is ready to begin. Revenue from incidental operations received from the current improvements on land parcels in excess of any incremental costs are recorded as a reduction of total capitalized costs of the respective Development Right and not as part of net income. Incidental operating costs in excess of incidental operating income are expensed in the period incurred.

For redevelopment efforts, the Company capitalizes costs either (i) in advance of taking homes out of service when significant renovation of the common area has begun until the redevelopment is completed, or (ii) when an apartment home is taken out of service for redevelopment until the redevelopment is completed and the apartment home is available for a new resident. Rental income and operating costs incurred during the initial lease-up or post-redevelopment lease-up period are recognized in earnings.

The Company accounts for real estate acquisitions as either an asset acquisition or a business combination. Under either model, the Company identifies and determines the fair value of any assets acquired, liabilities assumed and any noncontrolling interest in the acquiree. The Company generally views acquisitions of operating communities as asset acquisitions, which results in the capitalization of acquisition costs and the allocation of purchase price to the assets acquired and liabilities assumed, based on the relative fair value of the respective assets and liabilities.

Typical assets acquired and liabilities assumed include land, building, furniture, fixtures and equipment, debt and identified intangible assets and liabilities, consisting of the value of in-place leases and leases priced above or below market. The Company utilizes various sources to determine fair value, including its own analysis of recently acquired and existing comparable properties in its portfolio and other market data. The purchase price allocation to tangible assets is reflected in real estate assets and depreciated over their estimated useful lives. Any purchase price allocation to intangible assets, other than in-place lease intangibles, is included in prepaid expenses and other assets on the accompanying Consolidated Balance Sheets and amortized over the term of the acquired intangible asset. The Company values land based on a market approach, looking to recent sales of similar properties, adjusting for differences due to location, the state of entitlement as well as the shape and size of the parcel. Improvements to land are valued using a replacement cost approach and consider the structures and amenities included for the communities and is reduced by estimated depreciation. The value for furniture, fixtures and equipment is also determined based on a replacement cost approach, considering costs for both items in the apartment homes as well as common areas and is adjusted for estimated depreciation. The fair value of buildings is estimated using the replacement cost approach, assuming the buildings were vacant at acquisition. The replacement cost approach considers the composition of structures acquired, adjusted for depreciation which considers industry standard information and estimated useful life of the acquired property. The in-place lease intangible considers the estimated cost of leasing the apartment homes as if the acquired building(s) were vacant and is determined using an average total lease-up time, the number of apartment homes and market rent considering actual leasing and industry rental rate data generated during the lease-up time. The above or below market lease intangibles represent the value of the current leases relative to market-rate leases and is based on market comparables. Given the heterogeneous nature of multifamily real estate, the fair values for the land, debt, real estate assets and in-place leases incorporate significant unobservable inputs and therefore are considered to be Level 3 prices within the fair value hierarchy. Consideration for acquisitions is typically in the form of cash unless otherwise disclosed.

Depreciation is generally calculated on a straight-line basis over the estimated useful lives of the assets, which for buildings and related improvements range from seven years to 30 years and for furniture, fixtures and equipment range from three years to seven years.

Noncontrolling Interests

The Company classifies the carrying value of the DownREIT Units as noncontrolling interests, as the units may be redeemed by unitholders on or after April 30, 2026 for cash or common stock at the Company's election. Net income is allocated to the DownREIT Units pro-rata based on the weighted average proportion of DownREIT Units to the weighted average combined total of outstanding common stock, participating securities, and DownREIT Units for the period.

Income Taxes

The Company elected to be treated as a REIT for federal income tax purposes for its tax year ended December 31, 1994 and has not revoked such election. A REIT is a corporate entity which holds real estate interests and can deduct from its federally

taxable income qualifying dividends it pays if it meets a number of organizational and operational requirements, including a requirement that it distribute at least 90% of its adjusted taxable income to stockholders. Therefore, as a REIT, the Company generally will not be subject to corporate level federal income tax on its taxable income if it annually distributes 100% of its taxable income to its stockholders.

The states in which the Company operates have similar tax provisions which recognize the Company as a REIT for state income tax purposes. Management believes that all such conditions for the exemption from income taxes on ordinary income have been or will be met for the periods presented. Accordingly, no provision for federal and state income taxes has been made. If the Company fails to qualify as a REIT in any taxable year, it will be subject to federal corporate income taxes at regular corporate rates and may not be able to qualify as a corporate REIT for four subsequent taxable years. Even if the Company qualifies for taxation as a REIT, the Company may be subject to certain state and local taxes on its income and property, and to federal income and excise taxes on its undistributed taxable income and in certain other instances.

Taxable income from activities performed through taxable REIT subsidiaries ("TRS") is subject to federal, state and local income taxes. The Company recognized income tax benefit of \$1,135,000 in 2025 and income tax expense of \$445,000 and \$10,153,000 in 2024 and 2023, respectively, with amounts in 2023 primarily due to dispositions of residential condominiums at The Park Loggia. In addition, the Company may sell tax credits related to solar installation projects at its communities, recognizing the sales proceeds as income tax benefit in the period of sale. As of December 31, 2025 and 2024, the Company did not have any unrecognized tax positions. The Company does not believe that there will be any material changes in its unrecognized tax positions over the next 12 months. The Company is subject to examination by the respective taxing authorities for the tax years 2022 through 2024.

The following summarizes the tax components of the Company's common dividends declared for the years ended December 31, 2025, 2024 and 2023 (unaudited):

	2025	2024	2023
Ordinary income	74 %	90 %	83 %
20% capital gain	9 %	4 %	11 %
Unrecaptured §1250 gain	17 %	6 %	6 %
Total	100 %	100 %	100 %

Deferred Financing Costs

Deferred financing costs include expenditures necessary to obtain debt financing and are amortized on a straight-line basis, which approximates the effective interest method, over the shorter of the loan term or the related credit enhancement facility, if applicable. Unamortized financing costs are charged to earnings when debt is retired before the maturity date. Deferred financing costs, except for costs associated with line-of-credit arrangements, are presented as a direct deduction from the related debt liability. Unamortized deferred financing costs for the Company's Credit Facility and commercial paper were \$18,629,000 and \$13,059,000 as of December 31, 2025 and 2024, respectively, and were included in prepaid expenses and other assets on the accompanying Consolidated Balance Sheets.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents includes all cash and liquid investments with an original maturity of three months or less from the date acquired. Restricted cash includes principal reserve funds that are restricted for the repayment of specified secured financing, amounts the Company has designated for planned 1031 exchange activity and resident security deposits. The majority of the Company's cash, cash equivalents and restricted cash are held at major commercial banks.

Comprehensive Income

Comprehensive income, as reflected on the Consolidated Statements of Comprehensive Income, is defined as all changes in equity during each period except for those resulting from investments by or distributions to shareholders. Accumulated other comprehensive income (loss), as reflected on the Consolidated Statements of Equity, reflects the cumulative changes in the fair value of derivatives in qualifying cash flow hedge relationships and the related reclassifications to earnings.

Earnings per Common Share

Basic earnings per common share is computed by dividing net income attributable to common stockholders by the weighted average number of shares outstanding during the period. All outstanding unvested restricted share awards contain rights to non-forfeitable dividends and participate in undistributed earnings with common stockholders and, accordingly, are considered participating securities that are included in the two-class method of computing basic earnings per common share. Both the unvested restricted shares and other potentially dilutive common shares, and the related impact to earnings, are considered when calculating earnings per common share on a diluted basis. Diluted earnings per common share was computed using the treasury stock method for performance awards, options, participating securities and forward contracts, and using the if-converted method for DownREIT Units. The Company's earnings per common share are determined as follows (dollars in thousands, except per share data):

	For the year ended December 31,		
	2025	2024	2023
Basic and diluted shares outstanding			
Weighted average common shares—basic	141,739,349	142,000,934	141,307,186
Effect of dilutive securities	1,087,033	457,670	336,602
Weighted average common shares—diluted	<u>142,826,382</u>	<u>142,458,604</u>	<u>141,643,788</u>
Calculation of Earnings per Common Share—basic			
Net income attributable to common stockholders	\$ 1,051,301	\$ 1,081,994	\$ 928,825
Net income allocated to unvested restricted shares	(1,974)	(2,069)	(1,663)
Net income attributable to common stockholders—basic	<u>\$ 1,049,327</u>	<u>\$ 1,079,925</u>	<u>\$ 927,162</u>
Weighted average common shares—basic	<u>141,739,349</u>	<u>142,000,934</u>	<u>141,307,186</u>
Earnings per common share—basic	<u>\$ 7.40</u>	<u>\$ 7.61</u>	<u>\$ 6.56</u>
Calculation of Earnings per Common Share—diluted			
Net income attributable to common stockholders	\$ 1,051,301	\$ 1,081,994	\$ 928,825
Net income attributable to DownREIT unitholders in consolidated partnerships	5,298	—	25
Net income—diluted	<u>\$ 1,056,599</u>	<u>\$ 1,081,994</u>	<u>\$ 928,850</u>
Weighted average common shares—diluted	<u>142,826,382</u>	<u>142,458,604</u>	<u>141,643,788</u>
Earnings per common share—diluted	<u>\$ 7.40</u>	<u>\$ 7.60</u>	<u>\$ 6.56</u>

Certain options to purchase shares of common stock in the amounts of 31,917, forward contracts to sell shares of common stock in the amounts of 3,680,000, and unvested performance awards in the amounts of 42,686 as of December 31, 2025 were not included in the computation of diluted earnings per common share because they were anti-dilutive for the period. Certain options to purchase shares of common stock in the amounts of 9,793 and 303,784 were outstanding as of December 31, 2024 and 2023, respectively, were not included in the computation of diluted earnings per common share because they were anti-dilutive for the period.

Expensed Transaction, Development and Other Pursuit Costs

The Company capitalizes costs associated with its development activities to the basis of land held when future development is probable, or if the Company has either not yet acquired the land or if the project is subject to a leasehold interest, the costs are capitalized as deferred development costs ("Development Rights"). Future development of these Development Rights is dependent upon various factors, including zoning and regulatory approval, rental market conditions, construction costs and the availability of capital. Costs incurred for pursuits for which future development is not yet considered probable are expensed as incurred. In addition, if the Company determines a Development Right is no longer probable, the Company recognizes any necessary expense to write down its basis in the Development Right. The Company expensed costs related to development pursuits not yet considered probable for development and the abandonment of Development Rights, as well as costs incurred in pursuing the acquisition or disposition of assets for which such acquisition and disposition activity did not occur, in the amounts

of \$10,846,000, \$18,341,000 and \$33,479,000 during the years ended December 31, 2025, 2024 and 2023, respectively. These costs are included in expensed transaction, development and other pursuit costs, net of recoveries on the accompanying Consolidated Statements of Comprehensive Income. The amounts for the year ended December 31, 2025 and 2024 include a write-off of \$3,668,000 and \$8,947,000, respectively, for one development opportunity in each year that the Company determined is no longer probable. The amount for 2023 includes write-offs of \$27,455,000 related to seven Development Rights that the Company determined were no longer probable. These costs can vary greatly, and the costs incurred in any given period may be significantly different in future periods.

Casualty and Impairment of Long-Lived Assets

The Company evaluates its real estate and other long-lived assets for impairment when potential indicators of impairment exist. Such assets are stated at cost, less accumulated depreciation and amortization, unless the carrying amount of the asset is not recoverable. If events or circumstances indicate that the carrying amount of an asset may not be recoverable, the Company assesses its recoverability by comparing the carrying amount of the asset to its estimated undiscounted future cash flows. If the carrying amount exceeds the aggregate undiscounted future cash flows, the Company recognizes an impairment loss to the extent the carrying amount exceeds the estimated fair value of the asset. Based on periodic tests of recoverability of long-lived assets, for the years ended December 31, 2025, 2024 and 2023, the Company did not recognize any material impairment losses. During the years ended December 31, 2025, 2024 and 2023 the Company recognized expense of \$1,276,000, \$2,935,000 and \$9,118,000, respectively, for the property and casualty damage to certain of the Company's communities, reported as casualty and impairment loss on the accompanying Consolidated Statements of Comprehensive Income. The charge for the year ended December 31, 2025 related primarily to damage from a water pipe break at a community in Massachusetts. The charges for the year ended December 31, 2024 related to flooding and water damage at communities in California from extensive rainfall and a fire at a community in New Jersey. The charges for the year ended December 31, 2023 related to damage to certain communities in the Northeast and California regions from severe weather.

The Company assesses its portfolio of land held for both development and investment for impairment if the intent of the Company changes with respect to either the development of, or the expected holding period for, the land. For the years ended December 31, 2025, 2024 and 2023, the Company did not recognize any impairment charges on its investment in land.

The Company evaluates its unconsolidated investments for other than temporary impairment, considering both whether the carrying value of the investment exceeds the fair value, and the Company's intent and ability to hold the investment to recover its carrying value. The Company also evaluates its proportionate share of any impairment of assets held by unconsolidated investments. The Company did not recognize any other than temporary impairment losses during the years ended December 31, 2025, 2024 or 2023.

Assets Held for Sale and Discontinued Operations

The Company presents the assets and liabilities of any communities which have been sold, or otherwise qualify as held for sale, separately in the accompanying Consolidated Balance Sheets. In addition, the results of operations for those assets that meet the definition of discontinued operations are presented as such in the accompanying Consolidated Statements of Comprehensive Income. Real estate assets held for sale are measured at the lower of the carrying amount or the fair value less the cost to sell. Upon the classification of an asset as held for sale, no further depreciation is recorded. Disposals representing a strategic shift in operations (e.g., a disposal of a major geographic area, a major line of business or a major equity method investment) are presented as discontinued operations, and for those assets qualifying for classification as discontinued operations, the specific components of net income presented as discontinued operations include net operating income, depreciation expense and interest expense, net. For periods prior to the asset qualifying for discontinued operations, the Company reclassifies the results of operations to discontinued operations. In addition, the net gain or loss (including any impairment loss) on the eventual disposal of assets held for sale will be presented as discontinued operations when recognized. A change in presentation for held for sale or discontinued operations has no impact on the Company's financial condition or results of operations. The Company combines the operating, investing and financing portions of cash flows attributable to discontinued operations with the respective cash flows from continuing operations on the accompanying Consolidated Statements of Cash Flows. The Company had three real estate asset that qualified as held for sale at December 31, 2025.

Derivative Instruments and Hedging Activities

The Company enters into interest rate swap and interest rate cap agreements (collectively, "Hedging Derivatives") for interest rate risk management purposes and in conjunction with certain variable rate secured debt to satisfy lender requirements. The Company does not enter into Hedging Derivatives for trading or other speculative purposes. The Company assesses the effectiveness of qualifying hedges, both at inception and on an ongoing basis. The fair values of Hedging Derivatives that are in

an asset position are recorded in prepaid expenses and other assets and the fair values of Hedging Derivatives that are in a liability position are included in accrued expenses and other liabilities on the accompanying Consolidated Balance Sheets. Fair value changes for derivatives that are not in qualifying hedge relationships are reported as a component of interest expense, net on the accompanying Consolidated Statements of Comprehensive Income. For the Hedging Derivatives that qualify as effective cash flow hedges, the Company records the cumulative changes in the Hedging Derivatives' fair value in accumulated other comprehensive income on the accompanying Consolidated Statements of Comprehensive Income. Amounts recorded in accumulated other comprehensive income will be reclassified into earnings in the periods in which earnings are affected by the hedged cash flow. The effective portion of the change in fair value of the Hedging Derivatives that qualify as effective fair value hedges is reported as an adjustment to the carrying amount of the corresponding hedged item. Receipts or payments associated with the gains and losses on the Company's cash flow hedges of future fixed rate debt issuances are presented as a component of cash flows from financing activities in the period the hedges are terminated and the receipt or payments for the Company's cash flow hedges of interest on variable rate debt are presented as a component of cash flows from operating activities. Payments for derivatives that are not designated in hedging relationships are presented as a component of cash flows from operating activities. See Note 11, "Fair Value," for further discussion of derivative financial instruments.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to amounts in prior years' financial statements and notes to the financial statements to conform to current year presentations as a result of changes in held for sale classification, disposition activity and segment classification.

Leases

The Company is party to leases as both a lessor and a lessee, primarily as follows:

- lessor of residential and commercial space within its apartment communities; and
- lessee under (i) ground leases for land underlying current operating or development communities and certain commercial and parking facilities and (ii) office leases for its corporate headquarters and regional offices.

Lessee Considerations

The Company assesses whether a contract is or contains a lease based on whether the contract conveys the right to control the use of an identified asset, including specified portions of larger assets, for a period of time in exchange for consideration.

The Company's leases include both fixed and variable lease payments that are based on an index or rate such as the consumer price index (CPI) or percentage rents based on total sales. Variable lease payments are generally not included in the lease liability, but recognized as variable lease expense in the period in which they are incurred.

For leases that have options to extend the term or terminate the lease early, the Company only factored the impact of such options into the lease term if the option was considered reasonably certain to be exercised. The Company determines the discount rate associated with its ground and office leases on a lease-by-lease basis using the Company's actual borrowing rates as well as indicative market pricing for longer term rates and taking into consideration the remaining term of the lease agreements. For leases that are 12 months or less, the Company elected the practical expedient to not recognize the lease asset and liability.

Lessor Considerations

The Company's residential and commercial leases at its apartment communities are operating leases. For leases that include rent concessions and/or fixed and determinable rent increases, rental income is recognized on a straight-line basis over the noncancellable term of the lease, which, for residential leases, is generally one year. Some of the Company's commercial leases have renewal options which the Company will only include in the lease term if, at the commencement of the lease, it is reasonably certain that the lessee will exercise this option.

For the Company's leases, which are comprised of a lease component and common area maintenance as a non-lease component, the Company determined that (i) the leases are operating leases, (ii) the lease component is the predominant component and (iii) all components of its operating leases share the same timing and pattern of transfer.

Revenue and Gain Recognition

The Company recognizes revenue for the transfer of goods and services to customers for consideration that the Company expects to receive. The majority of the Company's revenue is derived from residential and commercial rental and other lease income, which are accounted for as discussed above, under "Leases". The Company's revenue streams that are not accounted for as residential and commercial rental and other lease income include:

- Management fees - The Company has investment interests in real estate joint ventures, for which the Company may manage (i) the venture, (ii) the associated operating communities owned by the ventures and/or (iii) the construction, development or redevelopment of those communities. For these activities, the Company receives asset management, property management, development and/or redevelopment fee revenue. The performance obligation is the management of the venture, community or other defined task such as the development or redevelopment of the community. While the individual activities that comprise the performance obligation of the management fees can vary day to day, the nature of the overall performance obligation to provide management service is the same and considered by the Company to be a series of services that have the same pattern of transfer to the customer and the same method to measure progress toward satisfaction of the performance obligation. The Company also provides various third party back-office, financial administrative support services. The Company recognizes revenue for fees as earned.
- Non-lease related revenue - The Company recognizes revenue for items not considered to be components of a lease as earned including, but not limited to, application fees, renters insurance fees and vendor revenue sharing.
- Gains or losses on sales of real estate - The Company accounts for the sale of real estate and any related gain recognition in accordance with the accounting guidance applicable to sales of real estate, which establishes standards for recognition of profit on all real estate sales transactions. The Company recognizes the sale, and associated gain or loss from the disposition when the criteria for the sale of an asset have been met, which include when (i) a contract exists and (ii) the buyer obtained control of the nonfinancial asset that was sold.

The following table details the Company's revenue disaggregated by reportable operating segment, further discussed in Note 8, "Segment Reporting," for the years ended December 31, 2025, 2024 and 2023. The segments are classified based on the individual community's status at December 31, 2025 for the years ended December 31, 2025 and 2024, and at December 31, 2024 for the year ended December 31, 2023. Segment information for total revenue excludes real estate assets that were sold from January 1, 2023 through December 31, 2025, or otherwise qualify as held for sale as of December 31, 2025, as described in Note 6, "Real Estate Disposition Activities." (dollars in thousands):

	Same Store	Other Stabilized	Development/ Redevelopment	Non-allocated (1)	Total
For the period ended December 31, 2025					
Management, development and other fees and other ancillary items	\$ —	\$ —	\$ —	\$ 7,042	\$ 7,042
Non-lease related revenue (2)	8,753	6,494	364	—	15,611
Total non-lease revenue	<u>8,753</u>	<u>6,494</u>	<u>364</u>	<u>7,042</u>	<u>22,653</u>
Lease income (3)	<u>2,730,758</u>	<u>168,121</u>	<u>47,174</u>	<u>—</u>	<u>2,946,053</u>
Total revenue	<u>\$ 2,739,511</u>	<u>\$ 174,615</u>	<u>\$ 47,538</u>	<u>\$ 7,042</u>	<u>\$ 2,968,706</u>
For the period ended December 31, 2024					
Management, development and other fees and other ancillary items	\$ —	\$ —	\$ —	\$ 7,081	\$ 7,081
Non-lease related revenue (2)	10,479	5,563	148	—	16,190
Total non-lease revenue	<u>10,479</u>	<u>5,563</u>	<u>148</u>	<u>7,081</u>	<u>23,271</u>
Lease income (3)	<u>2,662,792</u>	<u>77,771</u>	<u>9,519</u>	<u>—</u>	<u>2,750,082</u>
Total revenue	<u>\$ 2,673,271</u>	<u>\$ 83,334</u>	<u>\$ 9,667</u>	<u>\$ 7,081</u>	<u>\$ 2,773,353</u>
For the year ended December 31, 2023					
Management, development and other fees and other ancillary items	\$ —	\$ —	\$ —	\$ 7,722	\$ 7,722
Non-lease related revenue (2)	12,752	4,697	128	—	17,577
Total non-lease revenue	<u>12,752</u>	<u>4,697</u>	<u>128</u>	<u>7,722</u>	<u>25,299</u>
Lease income (3)	<u>2,482,052</u>	<u>73,628</u>	<u>6,042</u>	<u>—</u>	<u>2,561,722</u>
Total revenue	<u>\$ 2,494,804</u>	<u>\$ 78,325</u>	<u>\$ 6,170</u>	<u>\$ 7,722</u>	<u>\$ 2,587,021</u>

- (1) Represents third-party property management, developer fees and miscellaneous income and other ancillary items which are not allocated to a reportable segment.
- (2) Amounts include revenue streams related to leasing activities that are not considered components of a lease, and revenue streams not related to leasing activities including, but not limited to, application fees, renters insurance fees and vendor revenue sharing.
- (3) Represents residential and commercial rental and other lease income, as discussed above, under "Leases".

Due to the nature and timing of the Company's identified revenue streams, there were no material amounts of outstanding or unsatisfied performance obligations as of December 31, 2025.

Uncollectible Lease Revenue Reserves

The Company assesses the collectability of its lease revenue and receivables on an ongoing basis by (i) assessing the probability of receiving all lease amounts due on a lease-by-lease basis, (ii) fully reserving for those leases where collection of substantially all of the remaining lease payments is not probable and (iii) subsequently, only recognizing revenue to the extent cash is received. If the Company determines that collection of the remaining lease payments becomes probable at a future date, the Company will recognize the cumulative revenue that would have been recorded under the original lease agreement.

In addition to the specific reserves recognized, the Company also evaluates its lease receivables for collectability at a portfolio level. The Company recognizes a reserve on a portfolio level when the uncollectible revenue is probable and reasonably estimable. The Company applies this reserve to the Company's revenue and receivables not addressed as part of the specific reserve.

The Company recorded an aggregate offset to income for uncollectible lease revenue, net of amounts received from government rent relief programs, for its residential and commercial portfolios of \$47,240,000, \$47,046,000 and \$57,906,000 for the years ended December 31, 2025, 2024 and 2023, respectively.

Recently Issued and Adopted Accounting Standards

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, Improvements to Income Tax Disclosures, which requires (i) a tabular rate reconciliation of the reported income tax expense (benefit) from continuing operations into specific categories, (ii) separate disclosure for any reconciling items within certain categories above a quantitative threshold, (iii) disclosure of income taxes paid disaggregated by federal, state and material jurisdictions and (iv) disclosure of income tax expense from continuing operations disaggregated by federal and state. The Company adopted the guidance as of January 1, 2025, and it did not have a material effect on the Company's consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses, which requires the disaggregation for certain expenses presented on the face of an entity's income statement in the entity's disclosures. Additionally, it requires the disclosure of selling expenses and descriptions of amounts not separately disaggregated. The new standard will be effective for annual reporting periods beginning January 1, 2027, and interim reporting periods beginning January 1, 2028. The Company is assessing the standard and does not expect it to have a material effect on the Company's consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, Targeted Improvements to the Accounting for Internal-Use Software, which updates the accounting for software implementation and development, specifically with respect to cost capitalization. The amendments replace the former model which considered prescriptive and sequential software development stages with an approach that is focused on management authorization and probability that the project will be completed and used for its intended purpose. The new standard will be effective for annual reporting periods beginning January 1, 2027, and interim reporting periods within those annual periods. The Company is assessing the standard and does not expect it to have a material effect on the Company's financial position or results of operations.

2. Interest Capitalized

The Company capitalizes interest during the development and redevelopment of real estate assets. Capitalized interest associated with the Company's development and redevelopment activities totaled \$50,115,000, \$43,185,000 and \$47,133,000 for the years ended December 31, 2025, 2024 and 2023, respectively.

3. Debt

The Company's debt, which consists of unsecured notes, the variable rate term loan (the "Term Loan"), mortgage notes payable, the Credit Facility and Commercial Paper, each as defined below, as of December 31, 2025 and 2024 is summarized below. The following amounts and discussion do not include the mortgage notes related to the communities classified as held for sale, if any, as of December 31, 2025 and 2024, as shown in the accompanying Consolidated Balance Sheets (dollars in thousands) (see Note 6, "Real Estate Disposition Activities"). The weighted average interest rates in the following table for secured and unsecured debt include costs of financing including debt issuance costs as well as credit enhancement and trustees' fees, the impact of interest rate hedges and mark-to-market adjustments.

	December 31, 2025		December 31, 2024	
Fixed rate unsecured debt (1)	\$ 7,925,000	3.6 %	\$ 7,400,000	3.4 %
Fixed rate mortgage notes payable—conventional and tax-exempt	332,602	3.9 %	333,479	3.9 %
Variable rate mortgage notes payable—conventional and tax-exempt	390,550	4.0 %	400,950	5.2 %
Total mortgage notes payable, unsecured debt	8,648,152	3.6 %	8,134,429	3.5 %
Credit Facility	—	— %	—	— %
Commercial paper	740,000	4.0 %	—	— %
Total principal outstanding	9,388,152	3.7 %	8,134,429	3.5 %
Less deferred financing costs and debt discount (2)	(59,600)		(57,180)	
Total	\$ 9,328,552		\$ 8,077,249	

(1) Includes the \$550,000,000 Term Loan that has been swapped to an effective fixed rate of 4.44% using interest rate hedges.

(2) Excludes deferred financing costs associated with the Credit Facility and commercial paper, which are included in Prepaid expenses and other assets on the accompanying Consolidated Balance Sheets.

The availability on the Company's Credit Facility as of December 31, 2025 and 2024 was as follows (dollars in thousands):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Credit Facility commitment	\$ 2,500,000	\$ 2,250,000
Credit Facility outstanding	—	—
Commercial paper outstanding	(740,000)	—
Letters of credit outstanding (1)	(864)	(1,714)
Total Credit Facility available	<u>\$ 1,759,136</u>	<u>\$ 2,248,286</u>

(1) In addition, the Company had \$52,584 and \$45,910 outstanding in additional letters of credit unrelated to the Credit Facility as of December 31, 2025 and 2024, respectively.

The following debt activity occurred during the year ended December 31, 2025:

- In April 2025, the Company entered into the Seventh Amended and Restated Revolving Loan Agreement with a syndicate of banks, amending the prior credit facility, dated September 27, 2022. The amended and restated Credit Facility (i) increased the borrowing capacity under the Credit Facility from \$2,250,000,000 to \$2,500,000,000, and (ii) extended the term from September 2026 to April 2030. The interest rate that would be applicable to borrowings under the Credit Facility was 4.58% at December 31, 2025 and was composed of (i) the Secured Overnight Financing Rate ("SOFR"), applicable to the period of borrowing for a particular draw of funds from the Credit Facility (e.g., one month to maturity, three months to maturity, etc.), plus (ii) the current borrowing spread to SOFR of 0.705% per annum, assuming a daily SOFR borrowing rate. The borrowing spread to SOFR can vary from SOFR plus 0.65% to SOFR plus 1.40% based upon the rating of the Company's unsecured senior notes. There is also an annual facility commitment fee of 0.12% of the borrowing capacity under the Credit Facility, which can vary from 0.10% to 0.30% based upon the rating of the Company's unsecured senior notes. The Credit Facility contains a sustainability-linked pricing component which provides for interest rate margin and commitment fee reductions or increases related to certain environmental sustainability targets, specifically greenhouse gas emission reductions, with the adjustment determined annually. An annual determination under the sustainability-linked pricing component occurred in July 2025, maintaining reductions of approximately 0.02% to the interest rate margin and 0.005% to the commitment fee due to the Company's achievement of sustainability targets. On August 1, 2025, the Company amended the Credit Facility to extend the applicability of its sustainability-linked pricing component. All other terms of the Credit Facility, including its maturity date of April 2030, remain unchanged.
- In April 2025, the Company entered into a \$450,000,000 Term Loan which matures in April 2029. On August 1, 2025, the Company amended the Term Loan to (i) exercise its full accordion option to increase the amount of its Term Loan by \$100,000,000 to \$550,000,000 and (ii) extend the applicability of its sustainability-linked pricing component. During the year ended December 31, 2025, the Company drew down the \$550,000,000 available under the Term Loan and entered into \$550,000,000 notional amount of interest rate swaps to hedge the impact of variability in interest rates on the Term Loan. The swaps are coterminous with the Term Loan, maturing in April 2029. The Term Loan bears interest at varying levels based on (i) the SOFR applicable to the period of borrowing for a particular draw of funds from the facility, which rate is recalculated at the end of each such period if the Term Loan remains outstanding, (ii) a stated spread over SOFR that can vary from SOFR plus 0.70% to SOFR plus 1.60% per annum based upon the rating of the Company's unsecured and unsubordinated long-term indebtedness and (iii) a sustainability spread adjustment that can range from (0.02)% to 0.02%. The current borrowing spread to SOFR under the Term Loan is 0.78% per annum, inclusive of a sustainability spread adjustment of (0.02)%. Including the impact of these swaps and transaction costs, assuming the Term Loan will be fully drawn until maturity and the Company's current borrowing spread to SOFR, the effective interest rate on borrowings under the Term Loan is fixed at 4.44%.
- In April 2025, the Company increased the capacity of the Commercial Paper Program from \$500,000,000 to \$1,000,000,000. Under the terms of the Commercial Paper Program, the Company may issue unsecured commercial paper notes with maturities of less than one year. The program is backstopped by the Company's commitment to maintain available borrowing capacity under its unsecured credit facility in an amount equal to actual borrowings under the program.
- In June 2025, the Company repaid \$525,000,000 of its 3.45% coupon unsecured notes at par upon maturity.

- In July 2025, the Company issued \$400,000,000 principal amount of unsecured notes in a public offering under its existing shelf registration statement for proceeds net of underwriting fees and discounts of approximately \$394,888,000, before considering the impact of other offering costs. The notes mature in August 2035 and were issued at a 5.00% coupon. The effective interest rate on the notes is 5.05%, considering the net proceeds and including the impact of offering costs and hedging activity.
- In November 2025, the Company repaid \$300,000,000 of its 3.50% coupon unsecured notes at par upon maturity.
- In December 2025, the Company issued \$400,000,000 principal amount of unsecured notes in a public offering under its existing shelf registration statement for proceeds net of underwriting fees and discounts of approximately \$397,424,000, before considering the impact of other offering costs. The notes mature in December 2030 and were issued at a 4.35% coupon. The effective interest rate on the notes is 4.52%, considering the net proceeds and including the impact of offering costs and hedging activity.

In the aggregate, secured notes payable mature at various dates from March 2027 through July 2066, and are secured by certain apartment communities (with a net carrying value of \$1,208,731,000, excluding communities classified as held for sale, as of December 31, 2025).

Scheduled payments and maturities of secured notes payable and unsecured debt outstanding at December 31, 2025 were as follows (dollars in thousands):

Year	Secured notes principal payments and maturities	Unsecured debt maturities	Stated interest rate of unsecured debt
2026	\$ 11,811	\$ 475,000	2.95 %
		300,000	2.90 %
2027	248,859	400,000	3.35 %
2028	13,902	450,000	3.20 %
		400,000	1.90 %
2029	126,262	450,000	3.30 %
		550,000	SOFR + 0.78%
2030	3,300	700,000	2.30 %
		400,000	4.35 %
2031	3,500	600,000	2.45 %
2032	4,000	700,000	2.05 %
2033	5,000	350,000	5.00 %
		400,000	5.30 %
2034	10,900	400,000	5.35 %
2035	13,400	400,000	5.00 %
Thereafter	282,218	350,000	3.90 %
		300,000	4.15 %
		300,000	4.35 %
	<u>\$ 723,152</u>	<u>\$ 7,925,000</u>	

The Company's unsecured notes are redeemable at the Company's option, in whole or in part, generally at a redemption price equal to the greater of (i) 100% of their principal amount or (ii) the sum of the present value of the remaining scheduled payments of principal and interest discounted at a rate equal to the yield on U.S. Treasury securities with a comparable maturity plus a spread between 10 and 30 basis points depending on the specific series of unsecured notes, plus accrued and unpaid interest to the redemption date.

The Company is subject to financial covenants contained in the Credit Facility, the Term Loan and the indentures under which the unsecured notes were issued. The principal financial covenants include the following:

- limitations on the amount of total and secured debt in relation to the Company's overall capital structure;

- limitations on the amount of the Company's unsecured debt relative to the undepreciated basis of real estate assets that are not encumbered by property-specific financing; and
- minimum levels of debt service coverage.

The Company was in compliance with these covenants at December 31, 2025.

4. Equity

As of December 31, 2025 and 2024, the Company's charter had authorized for issuance a total of 280,000,000 shares of common stock and 50,000,000 shares of preferred stock.

During the year ended December 31, 2025, the Company:

- issued 8,759 shares of common stock in connection with stock options exercised;
- issued 3,761 shares of common stock through the Company's dividend reinvestment plan;
- issued 183,260 shares of common stock in connection with restricted stock grants and the conversion of performance awards to shares of common stock;
- issued 20,094 shares of common stock through the Employee Stock Purchase Plan;
- issued 367,113 shares of common stock through the settlement of the equity forward contracts under the CEP;
- withheld 74,517 shares of common stock to satisfy employees' tax withholding and other liabilities;
- canceled 3,116 shares of restricted common stock upon forfeiture; and
- repurchased 2,678,719 shares of common stock through the 2020 Stock Repurchase Program and 2025 Stock Repurchase Program, discussed below.

Deferred compensation granted under the Company's Second Amended and Restated 2009 Equity Incentive Plan (the "Plan") does not impact the Company's Consolidated Financial Statements until recognized as compensation cost.

The Company has a CEP under which the Company may sell (and/or enter into forward sale agreements for the sale of) up to \$1,000,000,000 of its common stock from time to time. Actual sales will depend on a variety of factors to be determined by the Company, including market conditions, the trading price of the Company's common stock and the Company's determinations of the appropriate funding sources. The Company expects that, if entered into, it will physically settle each forward sale agreement on one or more dates specified by the Company on or prior to the maturity date of that particular forward sale agreement, in which case the Company will receive aggregate net cash proceeds at settlement equal to the number of shares underlying the particular forward agreement multiplied by the forward sale price. However, the Company may also elect to cash settle or net share settle a forward sale agreement. In connection with each forward sale agreement, the Company will pay the forward seller, in the form of a reduced initial forward sale price, a commission of up to 1.5% of the sales prices of all borrowed shares of common stock sold. During the year ended December 31, 2025, the Company settled the outstanding forward contracts that were entered into under the CEP during the year ended December 31, 2024, selling 367,113 shares of common stock for proceeds, net of fees, of \$81,333,000, based on the gross weighted average price of \$223.27 per share. During the year ended December 31, 2025, the Company did not have any new forward sale agreements under the CEP. As of December 31, 2025, the Company had \$623,997,000 remaining authorized for issuance under the program.

In addition to the CEP, during the year ended December 31, 2024, the Company entered into the September 2024 Equity Offering pursuant to which we entered into forward contracts to sell 3,680,000 shares of common stock at a discount to the closing price of \$226.52 per share for approximate net proceeds of \$808,606,000 based on the initial forward price. The final proceeds will be determined on the date(s) of settlement and are subject to certain customary adjustments for dividends and a daily interest factor. During the year ended December 31, 2025, the Company amended each of the forward contracts related to the September 2024 Equity Offering to extend the settlement of the forward contracts to a date no later than December 31, 2026.

In October 2025, the Company terminated the 2020 Stock Repurchase Program, which had \$162,407,000 remaining authorized for purchase, and adopted a new 2025 Stock Repurchase Program under which the Company may acquire shares of its common stock in open market or negotiated transactions up to an aggregate purchase price of \$500,000,000. During the year ended December 31, 2025, the Company repurchased 2,678,719 shares of common stock at an average price of \$182.20 per share, including fees, for a total of \$488,115,000 under the 2020 Stock Repurchase Program and 2025 Stock Repurchase Program. During the year ended December 31, 2024, the Company had no repurchases under the 2020 Stock Repurchase Program. During the year ended December 31, 2023, the Company repurchased 11,800 shares of common stock at an average price of \$161.96 under the 2020 Stock Repurchase program. As of December 31, 2025, the Company had \$163,769,000 remaining authorized for purchase under the 2025 Stock Repurchase Program.

5. Investments

Investments in Consolidated Real Estate Entities

Details regarding communities acquired in 2025, 2024 and 2023, are summarized in the following table (dollars in thousands):

<u>Community name</u>	<u>Location</u>	<u>Number of communities</u>	<u>Apartment Homes</u>	<u>Purchase price</u>	<u>Commercial square feet</u>
Avalon Hill Country	Austin, TX	1	554	\$ 136,000	—
Avalon Wolf Ranch	Georgetown, TX	1	303	51,000	—
eaves Twin Creeks (1)	Allen, TX	1	216	44,784	—
Avalon Benbrook (1)	Benbrook, TX	1	301	60,194	—
Avalon Castle Hills (1)	Lewisville, TX	1	276	65,491	—
Avalon Frisco (1)	Frisco, TX	1	330	80,419	—
Avalon Frisco North (1)	Frisco, TX	1	349	88,606	—
eaves North Dallas (1)	Dallas, TX	1	372	76,085	—
Avalon at Palisades	Charlotte, NC	1	274	72,300	—
Avalon Coconut Creek	Coconut Creek, FL	1	270	99,000	—
eaves Redmond Campus II	Redmond, WA	1	40	15,650	—
Avalon Townhome Collection Brier Creek	Durham, NC	1	93	36,500	—
Total 2025 acquisitions		12	3,378	\$ 826,029	—
Total 2024 acquisitions		6	1,441	\$ 460,100	1,700
Total 2023 acquisitions		3	1,131	\$ 277,200	—

- (1) Included in the transaction to acquire six apartment communities in the Dallas-Fort Worth metropolitan area during the year ended December 31, 2025.

During the year ended December 31, 2025, the Company acquired the six apartment communities in the Dallas-Fort Worth metropolitan area included in the list above, containing 1,844 apartment homes for \$415,579,000. The consideration was comprised of a cash payment of \$193,000,000 and the final shares issued, adjusted for rounding, of 1,059,995 DownREIT Units, which were valued based on the closing price of the Company's common stock on the acquisition date. The DownREIT Units are entitled to receive distributions at the same rate as dividends on a share of the Company's common stock (pro rated for the time outstanding during the first quarter of issuance). Beginning on April 30, 2026, holders of DownREIT Units may present some or all of their units for redemption, being entitled to receive a cash amount per unit that is related to the then fair market value of the Company's common stock, except that in lieu of such cash redemption the Company may elect to redeem units in exchange for an equal number of shares of the Company's common stock.

In addition, during the year ended December 31, 2025, the Company acquired its joint venture partner's 50% interest in Avalon Alderwood Place, a 328 home community in Lynnwood, WA for a purchase price of \$71,250,000. With the buyout of the joint venture partner's interest, Avalon Alderwood Place is now a wholly owned community and consolidated for financial reporting purposes.

Structured Investment Program

The Company operates a Structured Investment Program (the "SIP"), an investment platform through which the Company provides mezzanine loans or preferred equity to third-party multifamily developers. During the year ended December 31, 2025, the Company entered into two additional commitments, agreeing to provide an investment of up to \$48,000,000 in multifamily development projects in California and Southeast Florida. As of December 31, 2025, the Company had nine commitments to fund up to \$239,585,000 in the aggregate. The Company's investment commitments have a weighted average rate of return of 11.7% and a weighted average initial maturity date of May 2027. As of December 31, 2025 and 2024, the Company had funded \$210,628,000 and \$186,549,000 of its commitments, respectively. The Company recognized interest income of \$27,172,000, \$16,022,000 and \$6,189,000 for the years ended December 31, 2025, 2024 and 2023, respectively, from the SIP. Interest

income and any change in the expected credit loss are included as a component of Structured Investment Program interest income on the accompanying Consolidated Statements of Comprehensive Income.

The Company evaluates each SIP commitment to determine the classification as a loan or an investment in a real estate development project. As of December 31, 2025, all of the SIP commitments are classified as loans. The Company includes amounts outstanding under the SIP as a component of prepaid expenses and other assets on the accompanying Consolidated Balance Sheets. The Company evaluates the credit risk for each commitment on an ongoing basis, estimating the reserve for credit losses using relevant available information from internal and external sources. Market-based historical credit loss data provides the basis for the estimation of expected credit losses, with adjustments, if necessary, for differences in current commitment-specific risk characteristics, such as the amount of equity capital provided by a borrower, amount of senior debt secured by the project, nature of the real estate being developed or other factors.

Unconsolidated Investments

The Company accounts for its investments in unconsolidated entities under the equity method of accounting, NAV, or under the measurement alternative, as discussed in Note 1, "Organization, Basis of Presentation and Significant Accounting Policies," under Principles of Consolidation. As of December 31, 2025, the Company had investments in four unconsolidated entities with real estate holdings, with ownership interests ranging from 20.0% to 28.6%, coupled with other unconsolidated investments including investments in third-party property technology and sustainability focused companies through investment management funds. The significant accounting policies of the unconsolidated investments are consistent with those of the Company in all material respects. Certain of these investments are subject to various buy-sell provisions or other rights which are customary in real estate joint venture agreements. The Company and its partners in these entities may initiate these provisions to either sell the Company's interest or acquire the interest from the Company's partner. The Company is responsible for the day-to-day operations of the unconsolidated communities below and is the management agent subject to the terms of management agreements for all communities except for Brandywine Apartments of Maryland, LLC, which is managed by a third party.

The following presents the Company's unconsolidated investments for the years ended December 31, 2025, 2024 and 2023, including significant activities during those years:

Legacy JV—As part of the Archstone Acquisition the Company entered into a limited liability company agreement with Equity Residential, through which it assumed obligations of Archstone in the form of preferred interests, some of which were governed by tax protection arrangements (the "Legacy JV"). The Company has a 40.0% interest in the Legacy JV. During the years ended December 31, 2025, the Legacy JV redeemed the remaining outstanding preferred interest, with the Company contributing its proportionate share of \$13,864,000 to the Legacy JV. During the years ended December 31, 2024 and 2023, the Legacy JV redeemed certain of the preferred interests and paid accrued dividends, for which the Company contributed \$1,320,000 and \$940,000, respectively. At December 31, 2025, after redemption, the Legacy JV had no remaining outstanding preferred interests.

NYTA MF Investors LLC ("NYC Joint Venture")—During 2018, the Company contributed five wholly-owned communities containing an aggregate of 1,301 apartment homes and 58,000 square feet of commercial space, located in New York City, NY, to a newly formed joint venture with the intent to own and operate the communities. The Company retained a 20.0% equity interest in the venture with the partners sharing in returns in accordance with their ownership interests. NYC Joint Venture has outstanding \$394,734,000 fixed rate mortgage loans that are payable by the venture. The Company has not guaranteed the debt of NYC Joint Venture, nor does the Company have any obligation to fund this debt should NYC Joint Venture be unable to do so.

MVP I, LLC—During 2004, the Company entered into a joint venture agreement with an unrelated third-party to develop Avalon at Mission Bay II, an apartment community located in San Francisco, CA, which completed construction during 2006 and contains 313 apartment homes. The Company has a 25.0% equity interest in the venture. During the year ended December 31, 2025, MVP I, LLC repaid its \$103,000,000 outstanding fixed rate mortgage loan at par upon maturity. The equity investors contributed capital in proportion to their ownership interests to repay the outstanding loan.

Brandywine Apartments of Maryland, LLC ("Brandywine")—The Company acquired its interest in Brandywine as part of the Archstone Acquisition. Brandywine owns a 305 apartment home community located in Washington, D.C. Brandywine is comprised of five members who hold various interests in the joint venture, with the Company having a 28.6% equity interest in Brandywine. Brandywine had an outstanding \$17,651,000 fixed rate mortgage loan that is payable by the venture. The Company has not guaranteed the debt of Brandywine, nor does the Company have any obligation to fund this debt should Brandywine be unable to do so.

Avalon Alderwood MF Member, LLC—During 2019, the Company entered into a joint venture to develop, own, and operate Avalon Alderwood Place, an apartment community located in Lynnwood, WA, which completed construction during 2022 and contains 328 apartment homes. The Company owned a 50% interest in the venture prior to acquiring its joint venture partner's 50% interest during the year ended December 31, 2025 for a purchase price of \$71,250,000 accounted for under the cost accumulation method. With the buyout of the joint venture partner's interest, Avalon Alderwood Place is now a wholly owned community and consolidated for financial reporting purposes.

Arts District Joint Venture—During 2020, the Company entered into a joint venture to develop, own, and operate AVA Arts District, an apartment community located in Los Angeles, CA, which completed construction and contains 475 apartment homes and 57,000 square feet of commercial space. As of December 31, 2025, the Company has a 25.0% interest in the venture. In June 2025, the Arts District joint venture secured a variable rate loan of up to \$173,000,000. The outstanding borrowing is subject to an interest rate cap, which will limit the interest rate to 8.2%, based on the current borrowing spread. The loan matures in July 2028 and has two one-year extension options, subject to certain conditions. The joint venture used the proceeds to repay its outstanding \$158,735,000, variable rate construction loan which was scheduled to mature in August 2025. The Company has provided the lender a partial payment guarantee for 25% of the loan's maximum borrowing capacity, on behalf of the venture. Any amounts payable under the 25% loan guarantee by the Company are obligations of the joint venture partners in proportion to their ownership interest, and in the event the Company is obligated to perform under its loan guarantee, its joint venture partner is obligated to reimburse the Company for 75% of amounts paid. As of December 31, 2025, the loan had an outstanding principal balance of \$162,104,000. The venture is an unconsolidated VIE as the Company is not the primary beneficiary due to shared control and decision making with its venture partner. The Company and its venture partner share decision making authority for all significant aspects of the venture's activities including, but not limited to, changes in ownership, changes to the development plan or budget, and major operating decisions including annual business plans.

Property Technology and Environmental Investments—The Company has invested \$72,428,000 in various third-party property technology and sustainability focused companies directly and indirectly through investment management funds. The Company's interest in each individual investment is minor such that the Company does not have influence over operating or financial policies of the investments. In addition, as of December 31, 2025, the Company had \$46,287,000 in outstanding equity commitments, with the timing and amount for these commitments to be fulfilled dependent on if, and when, investment opportunities are identified by the respective funds. During the years ended December 31, 2025, 2024 and 2023, the Company recognized realized and unrealized gains of \$39,247,000, \$33,137,000 and \$4,161,000, respectively, related to these investments, which was reported as a component of income from unconsolidated investments on the accompanying Consolidated Statements of Comprehensive Income.

6. Real Estate Disposition Activities

Details regarding the real estate sales, which resulted in a net gain in accordance with GAAP of \$335,713,000, excluding residential condominiums at The Park Loggia and post disposition gain (loss) true ups, are summarized in the following table (dollars in thousands):

Community name	Location	Period of sale	Apartment Homes	Gross sales price	Gain (Loss) on disposition (1)	Commercial square feet
Avalon Wilton on River Road	Wilton, CT	Q1 2025	102	\$ 65,100	\$ 56,476	—
Avalon Wesmont Station I & II	Wood-Ridge, NJ	Q2 2025	406	161,500	99,636	18,000
Avalon at Gallery Place	Washington D.C.	Q3 2025	203	87,100	63,026	9,000
Avalon First and M	Washington D.C.	Q3 2025	469	181,750	41,499	4,000
AVA NoMa	Washington D.C.	Q3 2025	438	142,480	31,051	7,000
Avalon Brooklyn Bay	Brooklyn, NY	Q3 2025	180	74,500	(1,668)	—
Archstone Redmond Lakeview	Redmond, WA	Q3 2025	166	63,250	34,454	—
AVA H Street	Washington D.C.	Q3 2025	138	36,000	12,175	—
Other real estate	Multiple	2025	N/A	—	4,241	—
Total of 2025 asset sales			2,102	\$ 811,680	\$ 340,890	38,000
Total of 2024 asset sales			1,532	\$ 726,200	\$ 363,208	24,000
Total of 2023 asset sales			987	\$ 446,000	\$ 287,587	27,000

(1) Gain (Loss) on disposition was reported in gain on sale of communities, net on the accompanying Consolidated Statements of Comprehensive Income.

As of December 31, 2025, the Company had three real estate assets that qualified as held for sale.

7. Commitments and Contingencies

Employment Agreements and Arrangements

The standard restricted stock, option and performance award agreements used by the Company in its compensation program provide that upon an employee's termination without cause or the employee's Retirement (as defined in the agreement), (i) all outstanding stock options and restricted shares of stock held by the employee will vest, and the employee will have up to 12 months or until the fifth anniversary of the grant date, if later, or until the option expiration date, if earlier, to exercise any options then held and (ii) a pro rata share (based on the portion of the performance period that has been completed) of performance awards that have completed at least one year of their performance period shall vest, with settlement to occur at the end of the performance period in accordance with achievement thereunder. Under the agreements, Retirement generally means a termination of employment and other business relationships, other than for cause, after attainment of age 50, provided certain conditions are met, including that (i) the employee has worked for the Company for at least 10 years, (ii) the employee's age at Retirement plus years of employment with the Company equals at least 70 and (iii) the employee provides at least six months written notice of intent to retire.

If a sale event (as defined in the agreement) of the Company occurs, all outstanding multiyear performance awards will vest at their target value and will settle. The Company also has an Officer Severance Program (the "Program"). Under the Program, in the event an officer who is not otherwise covered by a severance arrangement is terminated (other than for cause), or chooses to terminate his or her employment for good reason (as defined in the agreement), in either case in connection with or within 24 months following a sale event (as defined in the agreement) of the Company, such officer will generally receive a cash lump sum payment equal to a multiple of the officer's covered compensation (base salary plus annual cash bonus). The multiple is one time for vice presidents and senior vice presidents, two times for executive vice presidents and three times for the chief executive officer. The officer's restricted stock, options and performance awards would also vest. Costs related to the Program are deferred and recognized over the requisite service period when considered by management to be probable and estimable.

Legal Contingencies

The Company recognizes a loss associated with contingent legal matters when the loss is probable and estimable.

In 2022 and early 2023, the Company was named as a defendant in cases brought by private litigants alleging antitrust violations by RealPage, Inc. and owners and/or operators of multifamily housing which utilize revenue management systems provided by RealPage, Inc. The Company engaged with the plaintiffs' counsel to explain why it believed that these cases were without merit as they pertained to the Company. Following these discussions, the plaintiffs filed a notice of voluntary dismissal in July 2023, which resulted in the Company being dismissed without prejudice from these cases. Subsequently, on November 1, 2023, the District of Columbia filed a lawsuit in the Superior Court of the District of Columbia against RealPage, Inc. and a number of owners and/or operators of multifamily housing in the District of Columbia, including the Company, alleging that the defendants violated the District of Columbia Antitrust Act by unlawfully agreeing to use RealPage, Inc. revenue management systems and sharing sensitive data (the "D.C. Antitrust Litigation"). The court has denied the Company's motions to dismiss and for judgment on the pleadings.

On January 15, 2025, the Office of the Attorney General of the State of Maryland filed a lawsuit similar to the D.C. Antitrust Litigation in the Circuit Court for Prince George’s County, Maryland in which RealPage, Inc. and a number of owners and/or operators of multifamily properties in Maryland, including the Company, have been named and alleged to have violated state antitrust law (the “Maryland Antitrust Litigation”). On February 28, 2025, the Company filed a motion to dismiss.

On April 23, 2025, the Attorney General of the State of New Jersey and the New Jersey Division of Consumer Affairs filed a lawsuit similar to the D.C. Antitrust Litigation and the Maryland Antitrust Litigation in the U.S. District Court for the District of New Jersey. The lawsuit alleges that RealPage, Inc. and a number of owners and/or operators of multifamily properties in New Jersey, including the Company, violated federal and state antitrust laws and the state consumer fraud law (the “New Jersey Antitrust Litigation”) by unlawfully agreeing to use RealPage, Inc. revenue management systems and other related actions. On July 29, 2025, the Company filed a motion to dismiss.

While the Company intends to vigorously defend against the D.C. Antitrust Litigation, the Maryland Antitrust Litigation and the New Jersey Antitrust Litigation, the Company is unable to predict the outcome or estimate the amount of loss, if any, that may result from the lawsuits.

The Company is involved in various other claims and/or administrative proceedings that arise in the ordinary course of its business. While no assurances can be given, the Company does not currently believe that any of these other outstanding litigation matters, individually or in the aggregate, will have a material adverse effect on its financial condition or results of operations.

Lease Obligations

The Company owns seven apartment communities, two commercial properties and one development community located on land subject to ground leases expiring between July 2046 and May 2123. The Company has purchase options for all ground leases expiring prior to 2062. The ground leases for six of the seven apartment communities, the two commercial properties and one development community are operating leases, with rental expense recognized on a straight-line basis over the lease term. In addition, the Company is party to 13 leases for its corporate and regional offices with varying terms through 2033, all of which are operating leases. During the year ended December 31, 2025, the Company did not enter into any new ground leases.

During the year ended December 31, 2024, the Company entered into a new ground lease at Avalon Mission Valley, a development community in San Diego, CA, expiring May 2123, resulting in minimum lease payments over the term of the lease of \$155,600,000. During the year ended December 31, 2025, the Company reached a construction milestone under the ground lease which activated a completion guaranty, obligating the Company to complete construction of the community and certain off-site infrastructure improvements prior to May 2030.

As of December 31, 2025 and 2024, the Company had total operating lease assets of \$119,888,000 and \$126,572,000, respectively, and lease obligations of \$145,319,000 and \$153,333,000, respectively, reported as components of right of use lease assets and lease liabilities, respectively, on the accompanying Consolidated Balance Sheets. The Company incurred costs of \$14,827,000, \$16,298,000 and \$16,342,000 for the years ended December 31, 2025, 2024 and 2023, respectively, related to operating leases.

The Company has one apartment community located on land subject to a ground lease and four leases for portions of parking garages adjacent to apartment communities, that are finance leases. As of December 31, 2025 and 2024, the Company had total finance lease assets of \$27,649,000 and \$28,082,000, respectively, and total finance lease obligations of \$19,881,000 and \$19,949,000, respectively, reported as components of right of use lease assets and lease liabilities on the accompanying Consolidated Balance Sheets.

The following table details the weighted average remaining lease term and discount rates for the Company’s ground and office leases:

Weighted-average remaining lease term - finance leases	20 years
Weighted-average remaining lease term - operating leases	52 years
Weighted-average discount rate - finance leases	4.63 %
Weighted-average discount rate - operating leases	5.20 %

The following table details the future minimum payments of the Company's current leases as of December 31, 2025 (dollars in thousands):

	Operating Leases		Financing Leases	
2026	\$	15,653	\$	1,091
2027		15,732		1,095
2028		14,838		1,096
2029		13,887		1,099
2030		12,742		1,101
Thereafter		392,364		33,562
Total		465,216		39,044
Less discount for time value		(319,897)		(19,163)
Lease liability	\$	145,319	\$	19,881

8. Segment Reporting

The Company's reportable operating segments include Same Store, Other Stabilized and Development/Redevelopment. Annually as of January 1, the Company determines which of its communities fall into each of these categories and generally maintains that classification throughout the year for the purpose of reporting segment operations, unless disposition or redevelopment plans regarding a community change.

- *Same Store* is composed of consolidated communities where a comparison of operating results from the prior year to the current year is meaningful as these communities were owned and had stabilized occupancy as of the beginning of the respective prior year. For the year ended December 31, 2025, Same Store communities are consolidated for financial reporting purposes, had stabilized occupancy as of January 1, 2024, are not conducting or are not expected to conduct substantial redevelopment activities and are not held for sale as of December 31, 2025. A community is considered to have stabilized occupancy at the earlier of (i) attainment of 90% physical occupancy or (ii) the one year anniversary of completion of development or redevelopment.
- *Other Stabilized* is composed of completed consolidated communities that the Company owns and that are not Same Store but that had stabilized occupancy, as defined above, as of January 1, 2025, or which were acquired during the years ended December 31, 2025 or 2024. Other Stabilized excludes communities that are conducting or are probable to conduct substantial redevelopment activities within the fiscal year.
- *Development/Redevelopment* is composed of (i) consolidated communities that are either currently under construction, or were under construction during the fiscal year, which may be partially or fully complete and operating, (ii) consolidated communities where substantial redevelopment is in progress or is probable to begin during the fiscal year and (iii) communities that have been complete for less than one year and did not have stabilized occupancy, as defined above, as of January 1, 2025.

In addition, the Company owns land for future development and has other corporate assets that are not allocated to an operating segment.

The Company's segment disclosures present the measure(s) used by the Chief Operating Decision Maker ("CODM") for assessing each segment's performance. The Company's CODM is comprised of several members of its executive management team, including its Chief Executive Officer and President, Chief Financial Officer, Chief Investment Officer, Chief Operating Officer, and Executive Vice President- Portfolio and Asset Management. The CODM uses net operating income ("NOI") as the primary financial measure for Same Store communities and Other Stabilized communities. NOI is defined by the Company as total property revenue less direct property operating expenses (including property taxes), and excluding corporate-level income (including management, development and other fees), property management and other indirect operating expenses, net of corporate income, expensed transaction, development and other pursuit costs, net of recoveries, interest expense, net, loss on extinguishment of debt, net, general and administrative expense, income from unconsolidated investments, Structured Investment Program interest income, depreciation expense, income tax expense (benefit), casualty and impairment loss, gain on sale of communities, net, other real estate activity and net operating income from real estate assets sold or held for sale. The CODM evaluates the Company's financial performance on a consolidated residential and commercial basis. The commercial results attributable to the non-apartment components of the Company's mixed-use communities and other nonresidential

operations represent 1.6%, 1.7% and 1.8% of total NOI for the years ended December 31, 2025, 2024 and 2023, respectively. Although the Company considers NOI a useful measure of a community's or communities' operating performance, NOI should not be considered an alternative to net income or net cash flow from operating activities, as determined in accordance with GAAP. NOI excludes a number of income and expense categories as detailed in the reconciliation of NOI to net income and consistent with how the Company's CODM evaluates total NOI.

A reconciliation of NOI to net income for years ended December 31, 2025, 2024 and 2023 is as follows (dollars in thousands):

	For the year ended December 31,		
	2025	2024	2023
Net income	\$ 1,056,599	\$ 1,082,175	\$ 928,438
Property management and other indirect operating expenses, net of corporate income	147,548	162,594	134,312
Expensed transaction, development and other pursuit costs, net of recoveries	10,846	18,341	33,479
Interest expense, net	259,181	226,589	205,992
Loss on extinguishment of debt, net	—	—	150
General and administrative expense	86,679	77,697	76,534
Income from unconsolidated investments	(39,691)	(32,231)	(8,436)
Structured Investment Program interest income	(27,476)	(18,451)	(5,018)
Depreciation expense	913,376	846,853	816,965
Income tax (benefit) expense	(1,135)	445	10,153
Casualty and impairment loss	1,276	2,935	9,118
Gain on sale of communities, net	(335,713)	(363,300)	(287,424)
Other real estate activity	(4,131)	(753)	(174)
Net operating income from real estate assets sold or held for sale	(46,410)	(92,814)	(123,303)
Net operating income	<u>\$ 2,020,949</u>	<u>\$ 1,910,080</u>	<u>\$ 1,790,786</u>

The following is a summary of NOI from real estate assets sold or held for sale for the periods presented (dollars in thousands):

	For the year ended December 31,		
	2025	2024	2023
Rental income from real estate assets sold or held for sale	\$ 72,019	\$ 140,404	\$ 180,888
Operating expenses from real estate assets sold or held for sale	(25,609)	(47,590)	(57,585)
Net operating income from real estate assets sold or held for sale	<u>\$ 46,410</u>	<u>\$ 92,814</u>	<u>\$ 123,303</u>

The primary performance measure for communities under development or redevelopment depends on the stage of completion. While under development, management monitors actual construction costs against budgeted costs as well as lease-up pace and rent levels compared to budget.

The following table details the Company's segment information as of the dates specified (dollars in thousands). The segments are classified based on the individual community's status at December 31, 2025 for the years ended December 31, 2025 and 2024 and at December 31, 2024 for the year ended December 31, 2023. Segment information for the years ended December 31, 2025, 2024 and 2023 has been adjusted to exclude the real estate assets that were sold from January 1, 2023 through December 31, 2025, or otherwise qualify as held for sale as of December 31, 2025, as described in Note 6, "Real Estate Disposition Activities."

For the year ended December 31, 2025

	Same Store	Other Stabilized	Development / Redevelopment	Total (1) (2)
Total Revenue	\$ 2,739,511	\$ 174,615	\$ 47,538	\$ 2,961,664
Same Store Operating Expense				
Property Taxes	(306,405)			(306,405)
Payroll	(156,693)			(156,693)
Repairs & Maintenance	(159,930)			(159,930)
Utilities	(112,313)			(112,313)
Office Operations	(62,249)			(62,249)
Insurance	(42,098)			(42,098)
Marketing	(16,929)			(16,929)
Same Store Operating Expense	(856,617)	—	—	(856,617)
Non-Same Store Operating Expense	—	(61,014)	(23,084)	(84,098)
Total Expenses	(856,617)	(61,014)	(23,084)	(940,715)
Total NOI	\$ 1,882,894	\$ 113,601	\$ 24,454	\$ 2,020,949
Gross Real Estate	\$ 23,850,464	\$ 2,592,636	\$ 2,675,257	\$ 29,118,357

For the year ended December 31, 2024

	Same Store	Other Stabilized	Development / Redevelopment	Total (1) (2)
Total Revenue	\$ 2,673,271	\$ 83,334	\$ 9,667	\$ 2,766,272
Same Store Operating Expense				
Property Taxes	(303,406)			(303,406)
Payroll	(150,476)			(150,476)
Repairs & Maintenance	(146,516)			(146,516)
Utilities	(106,687)			(106,687)
Office Operations	(62,250)			(62,250)
Insurance	(39,434)			(39,434)
Marketing	(15,259)			(15,259)
Same Store Operating Expense	(824,028)	—	—	(824,028)
Non-Same Store Operating Expense	—	(26,305)	(5,859)	(32,164)
Total Expenses	(824,028)	(26,305)	(5,859)	(856,192)
Total NOI	\$ 1,849,243	\$ 57,029	\$ 3,808	\$ 1,910,080
Gross Real Estate	\$ 23,563,613	\$ 1,618,830	\$ 1,519,907	\$ 26,702,350

For the year ended December 31, 2023

	Same Store	Other Stabilized	Development / Redevelopment	Total (1) (2)
Total Revenue	\$ 2,494,804	\$ 78,325	\$ 6,170	\$ 2,579,299
Same Store Operating Expense				
Property Taxes	(278,381)			(278,381)
Payroll	(145,542)			(145,542)
Repairs & Maintenance	(135,751)			(135,751)
Utilities	(88,642)			(88,642)
Office Operations	(61,676)			(61,676)
Insurance	(34,941)			(34,941)
Marketing	(14,151)			(14,151)
Same Store Operating Expense	(759,084)	—	—	(759,084)
Non-Same Store Operating Expense	—	(24,587)	(4,842)	(29,429)
Total Expenses	(759,084)	(24,587)	(4,842)	(788,513)
Total NOI	\$ 1,735,720	\$ 53,738	\$ 1,328	\$ 1,790,786
Gross Real Estate	\$ 22,236,978	\$ 1,269,462	\$ 1,600,314	\$ 25,106,754

- (1) Does not include non-allocated revenue. Non-allocated revenue represents third-party property management, developer fees and miscellaneous income and other ancillary items which are not allocated to a reportable segment. Non-allocated revenue is \$7,042, \$7,081 and \$7,722 for the years ended December 31, 2025, 2024 and 2023, respectively.
- (2) Does not include non-allocated gross real estate and land held for development. Non-allocated gross real estate is \$99,952, \$118,341 and \$70,822 for the years ended December 31, 2025, 2024 and 2023, respectively. Land held for development gross real estate is \$123,751, \$151,922 and \$199,062 for the years ended December 31, 2025, 2024 and 2023, respectively.

9. Stock-Based Compensation Plans

The Company's Plan includes an authorization to issue shares of the Company's common stock, par value \$0.01 per share. At December 31, 2025, the Company had 4,497,534 shares remaining available to issue under the Plan, exclusive of shares that may be issued to satisfy currently outstanding awards such as stock options or performance awards. The Plan provides for equity awards to associates, officers, non-employee directors and other key personnel of the Company and its subsidiaries in the form of restricted stock, restricted stock units, stock options that qualify as incentive stock options ("ISOs") under Section 422 of the Code, non-qualified stock options, stock appreciation rights and performance awards, among others. The Plan expires in 2027, however before its expiration the Company expects to amend the plan or adopt a new plan to allow for continued grants of equity awards.

The Company's share-based compensation framework includes annual restricted stock awards and multi-year performance awards (the "Performance Awards"). The annual restricted stock vests over a three-year period at one-third per year. For annual restricted stock awards, in lieu of restricted stock, an officer may elect to receive up to 100% of the award value, in increments of 25%, in the form of stock options, which vests consistent with the restricted stock awards. Annually, the Company grants a target number of performance awards, with the ultimate award determined by the total shareholder return of the Company's common stock and/or operating performance metrics, measured over a performance period of three years. Performance units earned at the end of the measurement period are settled in fully vested shares of common stock and a payment of a cash amount representing accrued dividends on earned performance awards. The Company granted supplemental stock options in February 2021, that have a ten-year term and cliff vested on March 1, 2023. The options were granted at an exercise price that equaled the closing stock price on the grant date with recipients having 12 months to exercise the option if terminated without cause and will have until the expiration date to exercise the options if they retire.

For Performance Awards, after the first year of the performance period, if an employee's employment terminates on account of death, disability, retirement, or termination without cause, the employee's target grant will be pro-rated based on the employee's service time during the performance period. The final payout is based on actual performance, at which time the units will be converted into shares and a payment of a cash amount for accrued dividends based on actual performance. For other terminating events, performance awards are generally forfeited.

Information with respect to stock options granted under the Plan is as follows:

	Options	Weighted average exercise price per option
Options Outstanding at December 31, 2022	293,813	\$ 181.85
Granted (1)	15,744	177.83
Exercised	(5,773)	163.56
Forfeited	—	—
Options Outstanding at December 31, 2023	303,784	\$ 181.99
Granted (1)	13,759	172.11
Exercised	(41,619)	179.89
Forfeited	—	—
Expired	(5,062)	180.32
Options Outstanding at December 31, 2024	270,862	\$ 181.84
Granted (1)	9,473	221.58
Exercised	(8,759)	180.32
Forfeited	—	—
Options Outstanding at December 31, 2025	271,576	\$ 183.28
Options Exercisable:		
December 31, 2023	279,894	\$ 180.97
December 31, 2024	246,877	\$ 181.82
December 31, 2025	249,486	\$ 182.29

(1) All options are from recipient elections to receive a portion of earned restricted stock awards in the form of stock options.

The Company used the Black-Scholes Option Pricing model to determine the grant date fair value of options. The assumptions used are as follows:

	2025
Dividend yield	3.5 %
Estimated volatility	30.1 %
Risk free rate	4.06 %
Expected life of options	5 years
Estimated fair value	\$50.92

The following summarizes the exercise prices and contractual lives of options outstanding as of December 31, 2025:

The Plan Number of Options	Range—Exercise Price			Weighted Average Remaining Contractual Term (in years)
252,310	\$172.00	-	\$181.99	5.4
9,473	\$221.00	-	\$230.99	9.2
9,793	\$236.00	-	\$245.99	6.1
<u>271,576</u>				

Options outstanding at December 31, 2025 had an intrinsic value of \$384,000. Options exercisable had an intrinsic value of \$292,000 and had a weighted average contractual life of 5.3 years. The intrinsic value of options exercised under the Plan during 2025, 2024 and 2023 was \$288,000, \$1,394,000 and \$113,000, respectively.

Information with respect to performance awards granted is as follows:

	Performance awards	Weighted average grant date fair value per award
Outstanding at December 31, 2022	279,067	\$ 225.46
Granted	90,215	193.85
Change in awards based on performance (1)	(31,345)	241.49
Converted to shares of common stock	(60,016)	238.71
Forfeited	(2,719)	212.05
Outstanding at December 31, 2023	275,202	\$ 210.52
Granted	95,782	185.97
Change in awards based on performance (1)	30,375	216.50
Converted to shares of common stock	(146,725)	201.07
Forfeited	(4,511)	201.41
Outstanding at December 31, 2024	250,123	\$ 207.55
Granted	79,077	222.89
Change in awards based on performance (1)	34,016	257.33
Converted to shares of common stock	(103,332)	254.95
Forfeited	(3,507)	196.08
Outstanding at December 31, 2025	256,377	\$ 199.94

(1) Represents the change in the number of performance awards earned based on performance achievement.

The Company grants performance awards based on (i) the total shareholder return metrics for the Company's common stock or (ii) financial metrics related to operating performance, net asset value and leverage metrics of the Company. The number of performance awards granted that are based on total shareholder return metrics and financial metrics are as follows:

	2025	2024	2023
Total shareholder return metrics	43,495	52,683	49,611
Financial metrics	35,582	43,099	40,604
Total granted	79,077	95,782	90,215

The Company used a Monte Carlo model to assess the compensation cost associated with the portion of the performance awards granted for which achievement will be determined by using total shareholder return measures. The assumptions used are as follows:

	2025	2024	2023
Dividend yield	3.2%	3.9%	3.7%
Estimated volatility over the life of the plan (1)	20.4% - 21.6%	20.5% - 22.8%	22.9% - 26.1%
Risk free rate	4.00% - 4.01%	3.92% - 4.59%	4.35% - 4.61%
Estimated performance award value based on total shareholder return measure	\$224.11	\$189.47	\$206.97

(1) Estimated volatility over the life of the plan is using 50% historical volatility and 50% implied volatility.

For the portion of the performance awards granted for which achievement will be determined by using financial metrics, the compensation cost was based on an average grant date value of \$221.58, \$175.54 and \$177.83, for the years ended December 31, 2025, 2024 and 2023, respectively, and the Company's estimate of corporate achievement for the financial metrics.

Information with respect to restricted stock granted is as follows:

	Restricted stock shares	Weighted average grant date fair value per share	Restricted stock shares converted from performance awards
Outstanding at December 31, 2022	161,714	\$ 210.97	26,370
Granted	93,146	177.70	—
Vested	(79,450)	207.93	(26,370)
Forfeited	(2,119)	194.78	—
Outstanding at December 31, 2023	173,291	\$ 194.68	—
Granted	104,081	173.14	—
Vested	(90,582)	194.89	—
Forfeited	(4,408)	181.73	—
Outstanding at December 31, 2024	182,382	\$ 182.59	—
Granted	79,928	221.17	—
Vested	(92,015)	191.69	—
Forfeited	(3,116)	197.01	—
Outstanding at December 31, 2025	167,179	\$ 195.76	—

Total employee stock-based compensation cost recognized in income was \$26,614,000, \$25,390,000 and \$27,417,000 for the years ended December 31, 2025, 2024 and 2023, respectively, and total capitalized stock-based compensation cost was \$11,459,000, \$11,117,000 and \$10,906,000 for the years ended December 31, 2025, 2024 and 2023, respectively. At December 31, 2025, there was a total unrecognized compensation cost of \$28,107,000 for unvested restricted stock, stock options and performance awards, which is expected to be recognized over a weighted average period of 1.8 years. The Company reverses any previously recognized compensation cost for forfeitures as they occur.

Employee Stock Purchase Plan

In October 1996, the Company adopted the 1996 Non-Qualified Employee Stock Purchase Plan (as amended, the "ESPP"). Initially, 1,000,000 shares of common stock were reserved for issuance, and as of December 31, 2025, there are 529,908 shares remaining available for issuance under the ESPP. Employees of the Company generally are eligible to participate in the ESPP if, as of the last day of the applicable purchase period, they have been employed by the Company for at least one calendar month. Under the ESPP, eligible employees can acquire shares of the Company's common stock through payroll deductions, subject to maximum purchase limitations, during two purchase periods. The first purchase period begins January 1 and ends June 10, and the second purchase period begins July 1 and ends December 10. The purchase price for common stock under the plan is 85% of the lesser of the fair market value of the Company's common stock on the first or the last day of the applicable purchase period. The offering dates, purchase dates and duration of purchase periods may be changed if the change is announced prior to the beginning of the affected date or purchase period. The Company issued 20,094, 19,014 and 23,059 shares and recognized compensation expense of \$575,000, \$859,000 and \$911,000 under the ESPP for the years ended December 31, 2025, 2024 and 2023, respectively. The Company accounts for transactions under the ESPP using the fair value method prescribed by accounting guidance applicable to entities that use employee share purchase plans.

10. Related Party Arrangements

Unconsolidated Entities

The Company manages unconsolidated real estate entities and provides other real estate related services to third parties, for which it receives asset management, property management, construction, development and redevelopment fee revenue. From these entities, the Company earned fees of \$7,042,000, \$7,081,000 and \$7,722,000 for the years ended December 31, 2025, 2024 and 2023, respectively. In addition, the Company had outstanding receivables associated with its property and construction management roles of \$1,395,000 and \$1,680,000 as of December 31, 2025 and 2024, respectively.

Director Compensation

Directors of the Company who are also employees receive no additional compensation for their services as a director. Following each annual meeting of stockholders, non-employee directors receive (i) a number of shares of restricted stock (or deferred stock units) having a value of \$200,000 and (ii) a cash payment of \$100,000, payable in equal quarterly installments of

\$25,000. The number of shares of restricted stock (or deferred stock units) is calculated based on the closing price on the day of the award. Non-employee directors may elect to receive all or a portion of cash payments in the form of deferred stock units. Additionally, the non-executive Chairman receives an additional annual fee of \$250,000 payable in equal quarterly installments of \$62,500, the Lead Independent Director receives in the aggregate an additional annual fee of \$50,000 payable in equal quarterly installments of \$12,500, the non-employee director serving as the chairperson of the Audit Committee receives an additional annual fee of \$30,000 per year payable in equal quarterly installments of \$7,500, the non-employee director serving as the chairperson of the Compensation Committee receives an additional annual fee of \$25,000 per year payable in equal quarterly installments of \$6,250 and the Nominating, Governance and Corporate Responsibility and Investment and Finance Committee chairpersons receive an additional annual fee of \$20,000 payable in equal quarterly installments of \$5,000.

The Company recorded non-employee director compensation expense relating to restricted stock grants and deferred stock units in the amount of \$2,476,000, \$2,397,000 and \$2,446,000 for the years ended December 31, 2025, 2024 and 2023, respectively, as a component of general and administrative expense on the accompanying Consolidated Statements of Comprehensive Income. Deferred compensation relating to these restricted stock grants and deferred stock units to non-employee directors was \$910,000, \$786,000 and \$799,000 on December 31, 2025, 2024 and 2023, respectively, reported as a component of prepaid expenses and other assets on the accompanying Consolidated Balance Sheets.

11. Fair Value

Financial Instruments Carried at Fair Value

Derivative Financial Instruments

Hedging Derivatives are carried at fair value in the Company's financial statements. The Company minimizes its credit risk on these transactions by dealing with major, creditworthy financial institutions which have an A- or better credit rating by the Standard & Poor's Ratings Group or equivalent, and monitors the credit ratings of counterparties and the exposure of the Company to any single entity. The Company believes the likelihood of realizing losses from counterparty nonperformance is remote. The Company determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, such as interest rate, term to maturity and volatility. The Hedging Derivatives credit valuation adjustments associated with its derivatives use Level 3 inputs, such as estimates of current credit spreads, which the Company concluded are not significant. As a result, the Company determined that its derivative valuations are classified in Level 2 of the fair value hierarchy.

The following table summarizes the consolidated derivative positions at December 31, 2025 (dollars in thousands):

	Non-designated Hedges	Cash Flow Hedges
	Interest Rate Caps	Interest Rate Swaps
Notional balance	\$ 391,846	\$ 550,000
Weighted average interest rate (1)	4.0 %	N/A
Weighted average capped/swapped interest rate	6.7 %	3.5 %
Earliest maturity date	February 2026	April 2029
Latest maturity date	January 2027	April 2029

(1) For debt hedged by interest rate caps, represents the weighted average interest rate on the hedged debt prior to any impact of the associated interest rate caps.

The following derivative activity occurred during the year ended December 31, 2025:

- The Company entered into interest rate swap agreements with a notional amount of \$550,000,000 to reduce the impact of variability in interest rates on the Term Loan, which the Company expects to remain outstanding through maturity of the Term Loan.
- In connection with the issuance of the Company's \$400,000,000 unsecured notes in July 2025 maturing in August 2035, the Company terminated \$200,000,000 of interest rate swap agreements designated as cash flow hedges of the interest rate variability on the issuance of the unsecured notes, receiving payments of \$4,099,000 in July 2025 which will be recognized over the life of the unsecured notes as a reduction in the effective interest rate. Of the \$200,000,000 forward interest rate swap agreements terminated, \$100,000,000 were entered into during the year ended December 31,

2025. The Company has deferred these gains in accumulated other comprehensive income on the accompanying Consolidated Balance Sheets, and is recognizing the impact as a component of interest expense, net, over the term of the respective hedged debt.

- In connection with the issuance of the Company's \$400,000,000 unsecured notes in December 2025 maturing in December 2030, the Company entered into and terminated \$100,000,000 of interest rate swap agreements designated as cash flow hedges of the interest rate variability on the issuance of the unsecured notes, receiving payments of \$242,000 in November 2025 which will be recognized over the life of the unsecured notes as a reduction in the effective interest rate. The Company has deferred these gains in accumulated other comprehensive income on the accompanying Consolidated Balance Sheets, and is recognizing the impact as a component of interest expense, net, over the term of the respective hedged debt.

The Company had certain derivatives not designated as hedges during the years ended December 31, 2025, 2024 and 2023, for which fair value changes during each of the respective years were not material.

Cash flow hedge gains reclassified from accumulated other comprehensive income into earnings were \$3,330,000 and \$471,000 for the years ended December 31, 2025 and 2024. Cash flow hedge losses reclassified from accumulated other comprehensive income into earnings were \$1,360,000 for the year ended December 31, 2023.

The Company anticipates reclassifying approximately \$2,478,000 of net hedging gains from accumulated other comprehensive income into earnings within the next 12 months as an offset to the hedged item during this period.

Financial Instruments Not Carried at Fair Value

Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalent and restricted cash balances are held with various financial institutions within accounts designed to preserve principal. The Company monitors credit ratings of these financial institutions and the concentration of cash, cash equivalents and restricted cash balances with any one financial institution and believes the likelihood of realizing material losses related to cash, cash equivalent and restricted cash balances is remote. Cash, cash equivalents and restricted cash are carried at their face amounts, which reasonably approximate their fair values and are Level 1 within the fair value hierarchy.

Other Financial Instruments

Rents and other receivables and prepaid expenses, accounts and construction payable and accrued expenses and other liabilities are carried at their face amounts, which reasonably approximate their fair values. The Company determined that its notes receivables approximate fair value, because interest rates, yields and other terms are consistent with interest rates, yields and other terms currently available for similar instruments and are considered to be a Level 2 price within the fair value hierarchy.

Equity Securities

The Company has direct equity investments in third-party property technology companies. These investments are accounted for using the measurement alternative and are valued at the market price of observable transactions. During the years ended December 31, 2025, 2024 and 2023, the Company recognized unrealized gains of \$36,096,000, \$21,790,000 and \$1,899,000, respectively, related to these investments, which was reported as a component of income from unconsolidated investments on the accompanying Consolidated Statements of Comprehensive Income. As of December 31, 2025, the Company had recorded cumulative fair value adjustments of \$67,572,000 for unrealized gains related to equity securities.

Indebtedness

The Company values its fixed rate unsecured debt using quoted market prices, a Level 1 price within the fair value hierarchy. The Company values its mortgage notes payable, the Term Loan and any outstanding amounts under the Credit Facility and Commercial Paper Program using a discounted cash flow analysis on the expected cash flows of each instrument. This analysis reflects the contractual terms of the instrument, including the period to maturity, and uses observable market-based inputs, including interest rate curves. The process also considers credit valuation adjustments to appropriately reflect the Company's nonperformance risk. The Company has concluded that the value of its mortgage notes payable, Term Loan and any outstanding amounts under the Credit Facility and Commercial Paper Program are Level 2 prices as the majority of the inputs used to value its positions fall within Level 2 of the fair value hierarchy.

Financial Instruments Measured/Disclosed at Fair Value on a Recurring Basis

The following tables summarize the classification between the three levels of the fair value hierarchy of the Company's financial instruments measured or disclosed at fair value on a recurring basis (dollars in thousands):

December 31, 2025				
Description	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Notes Receivable, net	\$ 259,051	\$ —	\$ 259,051	\$ —
Total Assets	\$ 259,051	\$ —	\$ 259,051	\$ —
Liabilities				
Interest Rate Swaps - Liabilities				
Indebtedness	\$ 4,046	\$ —	\$ 4,046	\$ —
Fixed rate unsecured debt				
Fixed rate unsecured debt	7,025,656	7,025,656	—	—
Mortgage notes payable, Commercial Paper and Term Loan				
Mortgage notes payable, Commercial Paper and Term Loan	1,970,177	—	1,970,177	—
Total Liabilities	\$ 8,999,879	\$ 7,025,656	\$ 1,974,223	\$ —
December 31, 2024				
Description	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Notes Receivable, net	\$ 223,896	\$ —	\$ 223,896	\$ —
Non-Designated Hedges				
Interest Rate Caps	24	—	24	—
Interest Rate Swaps - Assets	6,821	—	6,821	—
Total Assets	\$ 230,741	\$ —	\$ 230,741	\$ —
Liabilities				
Indebtedness				
Fixed rate unsecured debt				
Fixed rate unsecured debt	\$ 6,796,066	\$ 6,796,066	\$ —	\$ —
Mortgage notes payable and Commercial Paper Program				
Mortgage notes payable and Commercial Paper Program	660,170	—	660,170	—
Total Liabilities	\$ 7,456,236	\$ 6,796,066	\$ 660,170	\$ —

12. Subsequent Events

The Company has evaluated subsequent events, through the date on which this Form 10-K was filed, the date on which these financial statements were issued, and identified the items below for discussion. In 2026, the Company had the following activity:

- In January 2026, the Company sold Avalon Sunset Towers, located in San Francisco, CA, containing 243 apartment homes for \$105,000,000.
- In February 2026, the Company sold Avalon White Plains, located in White Plains, NY, containing 407 apartment homes for \$166,000,000.
- From January 1, 2026 through February 26, 2026, the Company repurchased 637,958 shares of common stock at an average price of \$176.85 per share, including fees, for a total of \$112,824,000 under the 2025 Stock Repurchase Program. On February 26, 2026, the Company terminated the remaining authorization under the 2025 Stock Repurchase Program and adopted a new stock repurchase program under which the Company may acquire shares of its common stock in open market or negotiated transactions up to an aggregate purchase price of \$1,000,000,000 (the “2026 Stock Repurchase Program”). Purchases of common stock under the 2026 Stock Repurchase Program may occur from time to time at the Company’s discretion. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements, market conditions and other corporate liquidity requirements and priorities. The 2026 Stock Repurchase Program does not have an expiration date and may be suspended or terminated at any time without prior notice.

AVALONBAY COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2025
(Dollars in thousands)

Community	City and state	# of homes	Initial Cost				Total Cost				2024		2025	
			Land and Improvements		Building / Construction in Progress & Improvements		Land and Improvements		Building / Construction in Progress & Improvements		Total Cost, Net of Accumulated Depreciation		Encumbrances	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Avalon Woburn	Woburn, MA	350	\$ 21,576	\$ 97,848	\$ 1,161	\$ 99,009	\$ 21,576	\$ 99,009	\$ 120,585	\$ 16,270	\$ 104,315	\$ 108,276	\$ —	
Avalon North Andover	North Andover, MA	221	13,618	63,125	11	63,136	13,618	63,136	76,754	7,276	69,478	71,885	—	
Avalon Brighton	Boston, MA	180	11,166	77,850	342	78,192	11,166	78,192	89,358	8,344	81,014	84,147	—	
AVA North Point	Cambridge, MA	265	31,263	83,829	2,526	86,355	31,263	86,355	117,618	22,089	95,529	96,336	—	
Avalon Bear Hill	Waltham, MA	324	27,350	98,537	31,136	129,673	27,350	129,673	157,023	60,856	96,167	98,288	—	
TOTAL NEW ENGLAND		9,535	\$ 400,851	\$ 2,107,574	\$ 484,664	\$ 2,592,238	\$ 400,851	\$ 2,592,238	\$ 2,993,089	\$ 1,095,522	\$ 1,897,567	\$ 1,965,110	\$ 45,000	
METRO NY/NJ														
New York City, NY														
Avalon Riverview (3)	Long Island City, NY	372	—	94,061	21,901	115,962	—	115,962	115,962	88,595	27,367	29,433	—	
Avalon Riverview North (3)	Long Island City, NY	602	—	165,932	22,825	188,757	—	188,757	188,757	111,601	77,156	81,586	—	
AVA Fort Greene	Brooklyn, NY	631	83,038	216,802	14,660	231,462	83,038	231,462	314,500	123,589	190,911	198,019	—	
AVA DoBro	Brooklyn, NY	500	76,127	206,762	2,775	209,537	76,127	209,537	285,664	70,877	214,787	221,044	—	
Avalon Willoughby Square	Brooklyn, NY	326	49,635	134,840	2,280	137,120	49,635	137,120	186,755	44,350	142,405	146,091	—	
Avalon Midtown West	New York, NY	550	154,730	191,891	42,405	234,296	154,730	234,296	389,026	102,925	286,101	293,624	62,500	
Avalon Clinton North	New York, NY	339	84,069	111,729	13,003	124,732	84,069	124,732	208,801	57,555	151,246	154,989	126,400	
Avalon Clinton South	New York, NY	288	71,421	94,948	7,226	102,174	71,421	102,174	173,595	48,139	125,456	128,467	104,500	
Total New York City, NY		3,608	\$ 519,020	\$ 1,216,965	\$ 127,075	\$ 1,344,040	\$ 519,020	\$ 1,344,040	\$ 1,863,060	\$ 647,631	\$ 1,215,429	\$ 1,253,253	\$ 293,400	
New York - Suburban														
Avalon Commons (2)	Smithtown, NY	312	4,679	27,811	21,265	49,076	4,679	49,076	53,755	37,179	16,576	16,197	—	
Avalon Melville	Melville, NY	494	9,228	50,059	29,043	79,102	9,228	79,102	88,330	61,006	27,324	28,680	—	
Avalon Rockville Centre I	Rockville Centre, NY	349	32,212	78,806	8,866	87,672	32,212	87,672	119,884	45,607	74,277	76,914	—	
Avalon Garden City	Garden City, NY	204	18,205	49,301	3,343	52,644	18,205	52,644	70,849	24,166	46,683	47,850	—	
Avalon Huntington Station	Huntington Station, NY	303	21,899	58,429	4,731	63,160	21,899	63,160	85,059	24,835	60,224	61,511	—	
Avalon Great Neck	Great Neck, NY	191	14,777	65,412	1,863	67,275	14,777	67,275	82,052	20,712	61,340	62,472	—	
Avalon Rockville Centre II	Rockville Centre, NY	165	7,534	50,981	902	51,883	7,534	51,883	59,417	15,841	43,576	45,126	—	
Avalon Somers	Baldwin Place, NY	152	5,608	40,591	166	40,757	5,608	40,757	46,365	12,263	34,102	35,299	—	
Avalon Yonkers	Yonkers, NY	590	28,343	164,203	1,369	165,572	28,343	165,572	193,915	35,669	158,246	172,597	—	
Avalon Harrison	Harrison, NY	143	14,380	75,914	1,470	77,384	14,380	77,384	91,764	10,669	81,095	83,243	—	
Avalon Harbor Isle	Island Park, NY	172	18,812	75,401	10	75,411	18,812	75,411	94,223	9,728	84,495	88,467	—	
Avalon Westbury	Westbury, NY	396	69,620	49,350	18,255	67,605	69,620	67,605	137,225	38,196	99,029	99,962	—	
Total New York - Suburban		3,471	\$ 245,297	\$ 786,258	\$ 91,283	\$ 877,541	\$ 245,297	\$ 877,541	\$ 1,122,838	\$ 335,871	\$ 786,967	\$ 818,318	\$ —	
New Jersey														
Avalon Cove	Jersey City, NJ	504	8,760	82,422	38,243	120,665	8,760	120,665	129,425	102,535	26,890	30,246	—	
east West Windsor	West Windsor, NJ	512	5,585	21,752	38,583	60,335	5,585	60,335	65,920	42,971	22,949	23,263	—	

AVALONBAY COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2025
(Dollars in thousands)

Community	City and state	# of homes	Initial Cost				Total Cost				Total Cost, Net of Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation	Encumbrances	Year of Completion / Acquisition
			Land and Improvements	Building / Construction in Progress & Improvements	Costs Subsequent to Acquisition / Construction	Land and Improvements	Building / Construction in Progress & Improvements	Total	Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation				
2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025		
Avalon at Edgewater I	Edgewater, NJ	168	\$ 5,982	\$ 24,389	\$ 12,341	\$ 5,982	\$ 36,730	\$ 42,712	\$ 26,766	\$ 15,946	\$ 16,377	\$ —	2002	
Avalon Townhome Collection Florham Park	Florham Park, NJ	270	6,647	34,906	19,771	6,647	54,677	61,324	39,951	21,373	22,179	—	2001	
Avalon North Bergen	North Bergen, NJ	164	8,984	30,994	2,468	8,984	33,462	42,446	15,605	26,841	27,270	—	2012	
Avalon Bloomingdale	Bloomingdale, NJ	174	3,006	27,801	1,799	3,006	29,600	32,606	12,399	20,207	20,930	—	2014	
Avalon Wharton	Wharton, NJ	247	2,273	48,609	2,322	2,273	50,931	53,204	19,630	33,574	34,831	—	2015	
Avalon Bloomfield Station (1)	Bloomfield, NJ	224	10,701	36,430	4,011	10,701	40,441	51,142	14,549	36,593	36,716	—	2015	
Avalon Townhome Collection Roseland	Roseland, NJ	136	11,288	34,868	1,633	11,288	36,501	47,789	13,428	34,361	35,348	—	2015	
Avalon Princeton	Princeton, NJ	280	26,461	68,003	2,793	26,461	70,796	97,257	23,256	74,001	75,869	—	2017	
Avalon Union	Union, NJ	202	11,695	36,315	2,191	11,695	38,506	50,201	13,367	36,834	37,981	—	2016	
Avalon Hoboken	Hoboken, NJ	217	37,237	94,990	4,490	37,237	99,480	136,717	39,319	97,398	99,651	—	2008/2016	
Avalon Maplewood	Maplewood, NJ	235	15,179	49,425	4,664	15,179	54,089	69,268	16,998	52,270	52,695	—	2018	
Avalon Boonton	Boonton, NJ	350	3,595	89,407	2,251	3,595	91,658	95,253	22,690	72,563	75,547	—	2019	
Avalon Teaneck	Teaneck, NJ	248	12,588	60,257	437	12,588	60,694	73,282	14,439	58,843	60,513	—	2020	
Avalon Piscataway	Piscataway, NJ	360	14,329	75,897	1,839	14,329	77,736	92,065	20,751	71,314	73,604	—	2019	
Avalon Old Bridge	Old Bridge, NJ	252	6,895	64,907	1,462	6,895	66,369	73,264	13,365	59,899	61,822	—	2021	
Avalon Somerville Station (1)	Somerville, NJ	374	16,672	98,229	898	16,672	99,127	115,799	13,100	102,699	106,769	—	2023	
Avalon at Edgewater II	Edgewater, NJ	240	8,605	60,809	818	8,605	61,627	70,232	17,654	52,578	54,071	—	2018	
Total New Jersey		5,157	\$ 216,482	\$ 1,040,410	\$ 143,014	\$ 216,482	\$ 1,183,424	\$ 1,399,906	\$ 482,773	\$ 917,133	\$ 945,682	\$ —		
TOTAL METRO NY/NJ		12,236	\$ 980,799	\$ 3,043,633	\$ 361,372	\$ 980,799	\$ 3,405,005	\$ 4,385,804	\$ 1,466,275	\$ 2,919,529	\$ 3,017,253	\$ 293,400		
MID-ATLANTIC														
Washington Metro/Baltimore, MD														
Avalon at Foxhall	Washington, D.C.	308	\$ 6,848	\$ 27,614	\$ 28,108	\$ 6,848	\$ 55,722	\$ 62,570	\$ 46,433	\$ 16,137	\$ 16,874	\$ —	1982/1994	
eaves Tunlaw Gardens	Washington, D.C.	166	16,430	24,602	1,987	16,430	26,589	43,019	12,891	30,128	30,788	—	1944/2013	
The Statesman	Washington, D.C.	281	38,140	38,732	4,457	38,140	43,189	81,329	22,254	59,075	60,389	—	1961/2013	
eaves Glover Park	Washington, D.C.	120	9,580	28,082	3,215	9,580	31,297	40,877	14,844	26,033	25,405	—	1953/2013	
AVA Van Ness	Washington, D.C.	269	22,890	61,701	24,876	22,890	86,577	109,467	36,891	72,576	74,131	—	1978/2013	
eaves Washingtonian Center	North Potomac, MD	288	4,047	18,553	11,065	4,047	29,618	33,665	25,216	8,449	8,817	—	1996	
eaves Columbia Town Center I	Columbia, MD	392	8,802	35,536	19,715	8,802	55,251	64,053	36,250	27,803	28,175	—	1986/1993	
Avalon at Grosvenor Station	North Bethesda, MD	497	29,159	52,993	16,112	29,159	69,105	98,264	48,166	50,098	50,267	—	2004	
Avalon at Traville	Rockville, MD	520	14,365	55,398	14,824	14,365	70,222	84,587	50,322	34,265	34,483	—	2004	
AVA Wheaton	Wheaton, MD	319	6,494	69,027	857	6,494	69,884	76,378	21,275	55,103	56,841	—	2018	
Kanso Twinbrook	Rockville, MD	238	9,151	56,955	63	9,151	57,018	66,169	10,758	55,411	57,613	—	2021	
Avalon Hunt Valley	Hunt Valley, MD	332	10,872	62,974	2,135	10,872	65,109	75,981	20,797	55,184	56,371	—	2017	
Avalon Laurel (2)	Laurel, MD	344	10,130	61,685	6,603	10,130	68,288	78,418	20,734	57,684	57,552	—	2017	
Avalon Towson	Towson, MD	371	12,906	98,279	188	12,906	98,467	111,373	21,128	90,245	93,746	—	2020	

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			Land and Improvements	Building / Construction in Progress & Improvements	Costs Subsequent to Acquisition / Construction	Land and Improvements	Building / Construction in Progress & Improvements	Total		Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation	Encumbrances
Avalon Fairway Hills - Meadows	Columbia, MD	192	\$ 2,323	\$ 9,297	\$ 11,975	\$ 2,323	\$ 21,272	\$ 23,595	\$ 14,500	\$ 9,095	\$ 7,887	\$ —	1987/1996
Avalon Fairway Hills - Woods	Columbia, MD	336	3,958	15,839	17,655	3,958	33,494	37,452	24,440	13,012	13,865	—	1987/1996
Avalon Arundel Crossing II	Linthicum Heights, MD	310	12,208	72,422	1,064	12,208	73,486	85,694	23,319	62,375	64,620	—	2018/2018
Avalon 555 President	Baltimore, MD	400	13,168	121,759	128	13,168	121,887	135,055	26,800	108,255	113,743	—	2021
Kanso Silver Spring	Silver Spring, MD	151	3,471	42,108	2,230	3,471	44,338	47,809	11,654	36,155	37,413	—	2009/2019
Avalon Foundry Row	Owings Mills, MD	437	11,132	86,261	17	11,132	86,278	97,410	15,700	81,710	85,280	—	2022
Avalon Arundel Crossing	Linthicum Heights, MD	384	9,933	111,114	1,049	9,933	112,163	122,096	25,857	96,239	100,962	—	2020/2021
Avalon Russett	Laurel, MD	238	10,200	49,834	7,088	10,200	56,922	67,122	28,100	39,022	40,992	32,200	1999/2013
eaves Fair Lakes	Fairfax, VA	420	6,096	24,400	17,364	6,096	41,764	47,860	35,380	12,480	13,628	—	1989/1996
AVA Ballston	Arlington, VA	344	7,291	29,177	29,588	7,291	58,765	66,056	41,472	24,584	25,016	—	1990
eaves Fairfax City	Fairfax, VA	141	2,152	8,907	6,390	2,152	15,297	17,449	12,093	5,356	5,486	—	1988/1997
Avalon Tysons Corner (2)	Tysons Corner, VA	558	13,851	43,397	36,888	13,851	80,285	94,136	52,008	42,128	33,672	—	1996
Avalon at Arlington Square (2)	Arlington, VA	842	22,041	90,296	47,129	22,041	137,425	159,466	91,204	68,262	68,783	—	2001
eaves Fairfax Towers	Falls Church, VA	415	17,889	74,727	18,802	17,889	93,529	111,418	45,934	65,484	67,222	—	1978/2011
Avalon Mosaic	Fairfax, VA	531	33,490	75,801	4,459	33,490	80,260	113,750	32,580	81,170	83,233	—	2014
Avalon Potomac Yard	Alexandria, VA	323	24,225	84,530	2,693	24,225	87,223	111,448	33,952	77,496	79,784	—	2014/2016
Avalon Clarendon	Arlington, VA	300	22,573	99,297	9,757	22,573	109,054	131,627	42,511	89,116	91,786	—	2002/2016
Avalon Dunn Loring	Vienna, VA	440	29,377	120,884	2,635	29,377	123,519	152,896	43,450	109,446	113,080	—	2012/2017
eaves Tysons Corner	Vienna, VA	217	16,030	47,572	5,436	16,030	53,008	69,038	26,810	42,228	42,016	—	1980/2013
AVA Ballston Square (2)	Arlington, VA	714	71,640	225,206	58,020	71,640	283,226	354,866	125,435	229,431	237,093	—	1992/2013
Avalon Courthouse Place	Arlington, VA	564	56,550	185,632	15,875	56,550	201,507	258,057	94,158	163,899	169,625	—	1999/2013
Avalon Arlington North	Arlington, VA	228	21,600	59,076	10,737	21,600	69,813	91,413	28,617	62,796	64,568	—	2014
Avalon Reston Landing	Reston, VA	400	26,710	86,934	15,580	26,710	102,514	129,224	54,030	75,194	77,988	—	2000/2013
Avalon Falls Church (2)	Falls Church, VA	384	39,544	66,160	11,704	39,544	77,864	117,408	25,133	92,275	88,414	—	2016
TOTAL MID-ATLANTIC		13,714	\$ 677,266	\$ 2,522,761	\$ 468,468	\$ 677,266	\$ 2,991,229	\$ 3,668,495	\$ 1,343,096	\$ 2,325,399	\$ 2,377,608	\$ 32,200	
SOUTHEAST FLORIDA													
Avalon 850 Boca	Boca Raton, FL	370	\$ 21,430	\$ 117,895	\$ 3,884	\$ 21,430	\$ 121,779	\$ 143,209	\$ 39,525	\$ 103,684	\$ 106,556	\$ —	2017/2017
Avalon Doral	Doral, FL	350	23,375	92,966	534	23,375	93,500	116,875	17,521	99,354	102,281	—	2020
Avalon West Palm Beach	West Palm Beach, FL	290	9,597	94,119	5,264	9,597	99,383	108,980	29,903	79,077	82,000	—	2018/2018
Avalon Bonterra	Hialeah, FL	314	16,655	73,977	2,601	16,655	76,578	93,233	23,327	69,906	70,979	—	2018/2019
Avalon Toscana	Margate, FL	240	9,213	51,480	1,646	9,213	53,126	62,339	14,765	47,574	48,957	—	2016/2019
Avalon Fort Lauderdale	Fort Lauderdale, FL	243	20,029	126,505	3,434	20,029	129,939	149,968	24,138	125,830	130,485	—	2020/2021
Avalon Miramar	Miramar, FL	380	17,959	116,276	1,236	17,959	117,512	135,471	24,765	110,706	115,062	—	2018/2021
Avalon Miramar Park Place	Miramar, FL	650	50,919	245,728	1,559	50,919	247,287	298,206	49,933	248,273	258,233	—	2022/2022
TOTAL SOUTHEAST FLORIDA		2,837	\$ 169,177	\$ 918,946	\$ 20,158	\$ 169,177	\$ 939,104	\$ 1,108,281	\$ 223,877	\$ 884,404	\$ 914,553	\$ —	

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			Land and Improvements	Building / Construction in Progress & Improvements	Costs Subsequent to Acquisition / Construction	Land and Improvements	Building / Construction in Progress & Improvements	Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation			Encumbrances
DENVER, CO													
Avalon Denver West	Lakewood, CO	252	\$ 8,047	\$ 69,373	\$ 3,445	\$ 8,047	\$ 72,818	\$ 80,865	\$ 24,492	\$ 56,373	\$ 57,900	\$ —	2016/2017
Avalon Castle Rock at the Meadows	Castle Rock, CO	240	8,527	65,325	1,194	8,527	66,519	75,046	20,539	54,507	56,545	—	2018/2018
Avalon Red Rocks	Littleton, CO	256	4,461	71,477	1,588	4,461	73,065	77,526	22,528	54,998	56,268	—	2018/2018
Avalon Southlands	Aurora, CO	338	5,101	86,653	1,783	5,101	88,436	93,537	26,548	66,989	68,668	—	2018/2019
AVA RiNo	Denver, CO	246	15,152	71,662	604	15,152	72,266	87,418	11,173	76,245	78,529	—	2022
Avalon Flatirons	Lafayette, CO	207	7,390	88,438	601	7,390	89,039	96,429	15,175	81,254	84,673	—	2020/2022
TOTAL DENVER, CO		1,539	\$ 48,678	\$ 452,928	\$ 9,215	\$ 48,678	\$ 462,143	\$ 510,821	\$ 120,455	\$ 390,366	\$ 402,583	\$ —	
PACIFIC NORTHWEST													
Seattle, WA													
Avalon at Bear Creek	Redmond, WA	264	\$ 6,786	\$ 27,641	\$ 12,077	\$ 6,786	\$ 39,718	\$ 46,504	\$ 33,232	\$ 13,272	\$ 13,295	\$ —	1998/1998
Avalon Bellevue	Bellevue, WA	201	6,664	24,119	8,723	6,664	32,842	39,506	25,971	13,535	14,705	—	2001
eaves RockMeadow (2)	Bothell, WA	206	4,777	19,765	10,013	4,777	29,778	34,555	21,983	12,572	11,265	—	2000/2000
Avalon ParcSquare	Redmond, WA	124	3,789	15,139	7,297	3,789	22,436	26,225	17,114	9,111	8,682	—	2000/2000
Avalon Meydenbauer	Bellevue, WA	368	12,697	77,450	13,006	12,697	90,456	103,153	52,718	50,435	50,802	—	2008
Avalon Towers Bellevue (3)	Bellevue, WA	397	—	123,029	11,008	—	134,037	134,037	68,905	65,132	68,324	—	2011
AVA Queen Anne	Seattle, WA	203	12,081	41,618	2,603	12,081	44,221	56,302	21,424	34,878	36,135	—	2012
Avalon Alderwood I	Lynnwood, WA	367	12,294	55,627	2,284	12,294	57,911	70,205	22,464	47,741	48,933	—	2015
AVA Capitol Hill	Seattle, WA	249	20,613	59,986	2,220	20,613	62,206	82,819	22,390	60,429	62,049	—	2016
Avalon Esterra Park	Redmond, WA	482	23,178	112,986	2,660	23,178	115,646	138,824	38,203	100,621	103,858	—	2017
Avalon Alderwood II	Lynnwood, WA	124	5,072	21,418	505	5,072	21,923	26,995	7,111	19,884	20,377	—	2016
Avalon Newcascadia Commons I	Newcastle, WA	378	9,649	111,600	3,061	9,649	114,661	124,310	34,127	90,183	93,082	—	2017
Avalon Belltown Towers	Seattle, WA	274	24,638	121,064	1,509	24,638	122,573	147,211	29,924	117,287	121,084	—	2019
AVA Esterra Park	Redmond, WA	323	16,405	74,568	583	16,405	75,151	91,556	19,321	72,235	74,188	—	2019
Avalon Newcascadia Commons II	Newcastle, WA	293	6,982	99,831	687	6,982	100,518	107,500	18,374	89,126	92,725	—	2021
Avalon North Creek	Bothell, WA	316	13,498	69,013	213	13,498	69,226	82,724	16,828	65,896	68,008	—	2020
eaves Redmond Campus	Redmond, WA	374	15,665	84,852	29,514	15,665	114,366	130,031	54,498	75,533	79,094	—	1991/2013
TOTAL PACIFIC NORTHWEST		4,943	\$ 194,788	\$ 1,139,706	\$ 107,963	\$ 194,788	\$ 1,247,669	\$ 1,442,457	\$ 504,587	\$ 937,870	\$ 966,606	\$ —	
NORTHERN CALIFORNIA													
San Jose, CA													
Avalon Campbell	Campbell, CA	348	\$ 11,830	\$ 47,825	\$ 18,028	\$ 11,830	\$ 65,853	\$ 77,683	\$ 53,204	\$ 24,479	\$ 25,118	\$ —	1995
eaves San Jose	San Jose, CA	442	12,920	53,047	21,985	12,920	75,032	87,952	56,087	31,865	33,399	—	1985/1996
Avalon on the Alameda	San Jose, CA	307	6,119	50,214	16,758	6,119	66,972	73,091	53,671	19,420	20,138	—	1999
Avalon Silicon Valley	Sunnyvale, CA	714	20,713	99,573	43,293	20,713	142,866	163,579	110,891	52,688	56,039	—	1998
Avalon Mountain View	Mountain View, CA	248	9,755	39,387	16,729	9,755	56,116	65,871	45,899	19,972	18,884	—	1986

AVALONBAY COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2025
(Dollars in thousands)

Community	City and state	# of homes	Initial Cost				Total Cost				2024		2025	
			Land and Improvements		Building / Construction in Progress & Improvements		Land and Improvements		Building / Construction in Progress & Improvements		Total Cost, Net of Accumulated Depreciation		Total Cost, Net of Accumulated Depreciation	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
eaves Creekside	Mountain View, CA	300	6,546	26,263	24,748	51,011	6,546	51,011	39,538	18,019	18,512	—	—	1962/1997
Avalon at Cahill Park	San Jose, CA	218	4,765	47,600	6,393	53,993	4,765	53,993	41,649	17,109	18,071	—	—	2002
Avalon Towers on the Peninsula	Mountain View, CA	211	9,560	56,136	17,112	73,248	9,560	73,248	51,940	30,868	33,201	—	—	2002
Avalon Morrison Park	San Jose, CA	250	13,837	64,521	3,858	68,379	13,837	68,379	27,704	54,512	55,227	—	—	2014
Avalon Willow Glen	San Jose, CA	412	46,060	85,637	6,543	92,180	46,060	92,180	48,566	89,674	92,429	—	—	2002/2013
eaves West Valley	San Jose, CA	873	90,890	138,555	14,391	90,890	152,946	90,890	77,275	166,561	169,311	—	—	1970/2013
eaves Mountain View at Middlefield	Mountain View, CA	404	64,070	73,438	16,490	89,928	64,070	89,928	50,141	103,857	106,151	—	—	1969/2013
Total San Jose, CA		4,727	\$ 297,065	\$ 782,196	\$ 206,328	\$ 988,524	\$ 297,065	\$ 988,524	\$ 656,565	\$ 629,024	\$ 646,480	\$	\$	
East Bay, CA														
Avalon Fremont (2)	Fremont, CA	308	10,746	43,399	34,107	77,506	10,746	77,506	51,668	36,584	37,059	—	—	1992/1994
eaves Dublin (2)	Dublin, CA	204	5,276	19,642	28,080	47,722	5,276	47,722	27,150	25,848	26,621	—	—	1989/1997
eaves Pleasanton (2)	Pleasanton, CA	460	11,610	46,552	57,091	103,643	11,610	103,643	62,462	52,791	53,818	—	—	1988/1994
eaves Union City	Union City, CA	208	4,249	16,820	7,213	24,033	4,249	24,033	20,370	7,912	7,717	—	—	1973/1996
eaves Fremont	Fremont, CA	237	6,581	26,583	14,454	41,037	6,581	41,037	33,744	13,874	14,359	—	—	1985/1994
Avalon Union City	Union City, CA	439	14,732	104,024	9,215	113,239	14,732	113,239	62,626	65,345	68,623	—	—	2009
Avalon Walnut Creek (3)	Walnut Creek, CA	422	—	148,846	9,934	—	158,780	—	83,240	75,540	79,649	—	—	2010
Avalon Dublin Station	Dublin, CA	253	7,772	72,142	4,072	76,214	7,772	76,214	30,543	53,444	54,541	—	—	2014
Avalon Dublin Station II	Dublin, CA	252	7,762	76,587	2,997	79,584	7,762	79,584	26,558	60,788	62,213	—	—	2016
Avalon Public Market (1)	Emeryville, CA	289	27,394	145,898	689	146,587	27,394	146,587	33,019	140,962	145,325	—	—	2020
Avalon Walnut Creek II (3)	Walnut Creek, CA	200	—	112,768	795	—	113,563	—	23,040	90,523	94,760	—	—	2020
eaves Walnut Creek	Walnut Creek, CA	510	30,320	86,475	16,471	102,946	30,320	102,946	48,784	84,482	87,164	—	—	1987/2013
Avalon Walnut Ridge I	Walnut Creek, CA	106	9,860	20,630	5,605	26,235	9,860	26,235	12,402	23,693	24,541	—	—	2000/2013
Avalon Walnut Ridge II	Walnut Creek, CA	360	27,190	60,209	11,893	72,102	27,190	72,102	35,050	64,242	66,282	—	—	1989/2013
Total East Bay, CA		4,248	\$ 163,492	\$ 980,575	\$ 202,616	\$ 1,183,191	\$ 163,492	\$ 1,183,191	\$ 550,656	\$ 796,027	\$ 822,672	\$	\$ 4,868	
San Francisco, CA														
AVA Nob Hill	San Francisco, CA	185	5,403	21,567	12,658	34,225	5,403	34,225	27,562	12,066	13,470	—	—	1990/1995
eaves Foster City	Foster City, CA	290	7,852	31,445	19,085	50,530	7,852	50,530	39,994	18,388	19,045	—	—	1973/1994
eaves Pacifica	Pacifica, CA	220	6,125	24,792	8,329	33,121	6,125	33,121	28,057	11,189	10,359	—	—	1971/1995
Avalon at Mission Bay I	San Francisco, CA	250	14,029	78,452	13,328	91,780	14,029	91,780	70,083	35,726	37,589	—	—	2003
Avalon at Mission Bay III	San Francisco, CA	261	28,687	119,156	3,888	123,044	28,687	123,044	67,544	84,187	86,627	—	—	2009
Avalon Ocean Avenue	San Francisco, CA	173	5,544	50,906	4,559	55,465	5,544	55,465	25,972	35,037	36,227	—	—	2012
AVA 55 Ninth	San Francisco, CA	273	20,267	97,321	2,232	99,553	20,267	99,553	40,655	79,165	82,153	—	—	2014
Avalon Hayes Valley	San Francisco, CA	182	12,595	81,228	1,754	82,982	12,595	82,982	30,910	64,667	67,324	—	—	2015
Avalon Dogpatch	San Francisco, CA	326	23,523	180,698	1,300	181,998	23,523	181,998	52,136	153,385	158,894	—	—	2018
Avalon San Bruno I	San Bruno, CA	300	40,780	71,352	8,084	79,436	40,780	79,436	40,824	79,392	81,835	—	—	2004/2013

AVALONBAY COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2025
(Dollars in thousands)

	# of homes	City and state	Initial Cost				Total Cost				2024		2025	
			Land and Improvements		Building / Construction in Progress & Improvements		Land and Improvements		Building / Construction in Progress & Improvements		Total Cost, Net of Accumulated Depreciation	Encumbrances	Total Cost, Net of Accumulated Depreciation	Encumbrances
Avalon San Bruno II	185	San Bruno, CA	\$ 23,787	\$ 46,609	\$ 3,483	\$ 50,092	\$ 23,787	\$ 50,092	\$ 73,879	\$ 23,186	\$ 50,693	\$ 52,125	\$ —	2007/2013
Avalon San Bruno III	187	San Bruno, CA	33,303	65,255	2,321	67,576	33,303	67,576	100,879	31,138	69,741	71,884	51,000	2010/2013
Total San Francisco, CA	2,832		\$ 221,895	\$ 868,781	\$ 81,021	\$ 949,802	\$ 221,895	\$ 949,802	\$ 1,171,697	\$ 478,061	\$ 693,636	\$ 717,532	\$ 103,150	
TOTAL NORTHERN CALIFORNIA	11,807		\$ 682,452	\$ 2,631,552	\$ 489,965	\$ 3,121,517	\$ 682,452	\$ 3,121,517	\$ 3,803,969	\$ 1,685,282	\$ 2,118,687	\$ 2,186,684	\$ 108,018	
SOUTHERN CALIFORNIA														
Los Angeles, CA														
AVA Burbank (2)	750	Burbank, CA	\$ 22,483	\$ 28,078	\$ 62,627	\$ 90,705	\$ 22,483	\$ 90,705	\$ 113,188	\$ 65,654	\$ 47,534	\$ 48,073	\$ —	1961/1997
Avalon Woodland Hills	663	Woodland Hills, CA	23,828	40,329	92,876	133,205	23,828	133,205	157,033	78,669	78,364	80,697	—	1989/1997
eaves Warner Center (2)	228	Woodland Hills, CA	7,045	12,974	21,385	34,359	7,045	34,359	41,404	24,694	16,710	14,823	—	1979/1998
Avalon Glendale (3)	223	Glendale, CA	—	42,564	4,928	47,492	—	47,492	47,492	35,413	12,079	13,423	—	2003
Avalon Burbank	403	Burbank, CA	14,053	56,814	34,670	91,484	14,053	91,484	105,537	62,954	42,583	44,288	—	1988/2002
Avalon Camarillo	249	Camarillo, CA	8,446	40,239	6,194	46,433	8,446	46,433	54,879	30,747	24,132	25,524	—	2006
Avalon Wilshire	125	Los Angeles, CA	5,459	41,174	8,516	49,690	5,459	49,690	55,149	32,315	22,834	24,271	—	2007
Avalon Encino	132	Encino, CA	12,789	49,062	5,452	54,514	12,789	54,514	67,303	31,315	35,988	38,011	—	2008
Avalon Warner Place	210	Canoga Park, CA	7,920	44,823	4,494	49,317	7,920	49,317	57,237	29,284	27,953	29,533	—	2008
AVA Little Tokyo	280	Los Angeles, CA	14,734	93,977	3,338	97,315	14,734	97,315	112,049	37,848	74,201	77,050	—	2015
eaves Phillips Ranch (2)	503	Pomona, CA	9,796	41,675	21,196	62,871	9,796	62,871	72,667	30,741	41,926	42,283	—	1989/2011
eaves San Dimas	102	San Dimas, CA	1,916	7,803	3,586	11,389	1,916	11,389	13,305	5,967	7,338	7,532	—	1978/2011
eaves San Dimas Canyon	156	San Dimas, CA	2,953	12,369	3,515	15,884	2,953	15,884	18,837	8,122	10,715	10,705	—	1981/2011
AVA Pasadena	84	Pasadena, CA	8,400	11,522	7,429	18,951	8,400	18,951	27,351	8,547	18,804	19,037	—	1973/2012
eaves Cerritos	151	Artesia, CA	8,305	21,195	3,629	24,824	8,305	24,824	33,129	11,407	21,722	22,361	—	1973/2012
Avalon Playa Vista	309	Los Angeles, CA	30,900	71,944	11,406	83,350	30,900	83,350	114,250	41,232	73,018	75,275	—	2006/2012
Avalon San Dimas	162	San Dimas, CA	9,141	30,726	4,395	35,121	9,141	35,121	44,262	13,594	30,668	31,719	—	2014
Avalon Glendora	281	Glendora, CA	18,311	64,303	1,613	65,916	18,311	65,916	84,227	23,741	60,486	62,586	—	2016
Avalon West Hollywood	294	West Hollywood, CA	35,214	118,926	3,619	122,545	35,214	122,545	157,759	38,084	119,675	122,819	—	2017
Avalon Mission Oaks	160	Camarillo, CA	9,600	38,666	2,874	41,540	9,600	41,540	51,140	17,388	33,752	34,471	—	2014
Avalon Chino Hills	331	Chino Hills, CA	16,617	79,829	2,986	82,815	16,617	82,815	99,432	25,542	73,890	75,465	—	2017
AVA Hollywood at La Pietra Place	695	Los Angeles, CA	99,309	272,546	3,164	275,710	99,309	275,710	375,019	58,502	316,517	325,874	—	2021
Avalon Cerritos	132	Cerritos, CA	8,869	52,025	931	52,956	8,869	52,956	61,825	14,223	47,602	49,111	30,250	2017/2019
Avalon Monrovia	154	Monrovia, CA	12,125	56,202	579	56,781	12,125	56,781	68,906	10,212	58,694	60,783	—	2021
Avalon Simi Valley	500	Simi Valley, CA	42,020	77,521	13,681	42,020	42,020	91,202	133,222	44,625	88,597	89,709	—	2007/2013
AVA Studio City II	101	Studio City, CA	4,626	23,840	7,731	4,626	4,626	31,571	36,197	14,611	21,586	22,327	—	1991/2013
Avalon Studio City	276	Studio City, CA	15,756	81,318	17,699	99,017	15,756	99,017	114,773	48,279	66,494	69,461	—	2002/2013
Avalon Calabasas	600	Calabasas, CA	42,720	112,911	29,041	42,720	42,720	141,952	184,672	81,346	103,326	106,785	—	1988/2013
Avalon Oak Creek	338	Agoura Hills, CA	43,540	83,625	14,112	97,737	43,540	97,737	141,277	54,897	86,380	88,053	—	2004/2013
Avalon Santa Monica on Main	133	Santa Monica, CA	32,000	63,612	14,662	78,274	32,000	78,274	110,274	35,852	74,422	76,991	—	2007/2013

AVALONBAY COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2025
(Dollars in thousands)

Community	City and state	# of homes	Initial Cost			Total Cost			2024			2025		
			Land and Improvements	Building / Construction in Progress & Improvements	Costs Subsequent to Acquisition / Construction	Land and Improvements	Building / Construction in Progress & Improvements	Total	Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation	Encumbrances	Year of Completion / Acquisition	
														Encumbrances
eaves Old Town Pasadena	Pasadena, CA	96	\$ 9,110	\$ 16,316	\$ 7,084	\$ 9,110	\$ 23,400	\$ 32,510	\$ 10,879	\$ 21,631	\$ 22,089	\$ —	1972/2013	
eaves Thousand Oaks	Thousand Oaks, CA	158	\$ 13,950	\$ 21,574	\$ 7,193	\$ 13,950	\$ 28,767	\$ 42,717	\$ 16,925	\$ 25,792	\$ 26,085	\$ —	1992/2013	
eaves Los Feliz	Los Angeles, CA	263	\$ 18,940	\$ 46,201	\$ 14,359	\$ 18,940	\$ 60,560	\$ 79,500	\$ 28,895	\$ 50,605	\$ 51,172	\$ 41,400	1989/2013	
AVA Toluca Hills (2)	Los Angeles, CA	1,151	\$ 86,450	\$ 170,241	\$ 107,790	\$ 86,450	\$ 278,031	\$ 364,481	\$ 110,754	\$ 253,727	\$ 249,772	\$ —	1973/2013	
eaves Woodland Hills	Woodland Hills, CA	894	\$ 68,940	\$ 96,808	\$ 27,583	\$ 68,940	\$ 124,391	\$ 193,331	\$ 66,383	\$ 126,948	\$ 129,746	\$ —	1971/2013	
Avalon Thousand Oaks Plaza	Thousand Oaks, CA	148	\$ 12,810	\$ 24,025	\$ 6,251	\$ 12,810	\$ 30,276	\$ 43,086	\$ 14,971	\$ 28,115	\$ 27,550	\$ —	2002/2013	
Avalon Pasadena	Pasadena, CA	120	\$ 10,240	\$ 33,038	\$ 6,287	\$ 10,240	\$ 39,325	\$ 49,565	\$ 17,946	\$ 31,619	\$ 32,409	\$ —	2004/2013	
AVA Studio City I	Studio City, CA	450	\$ 17,658	\$ 94,094	\$ 36,414	\$ 17,658	\$ 130,508	\$ 148,166	\$ 58,823	\$ 89,343	\$ 92,791	\$ —	1987/2013	
Total Los Angeles, CA		12,005	\$ 806,973	\$ 2,274,889	\$ 625,289	\$ 806,973	\$ 2,900,178	\$ 3,707,151	\$ 1,341,381	\$ 2,365,770	\$ 2,420,654	\$ 183,150		
Orange County, CA														
AVA Newport	Costa Mesa, CA	145	\$ 1,975	\$ 3,814	\$ 12,822	\$ 1,975	\$ 16,636	\$ 18,611	\$ 11,306	\$ 7,305	\$ 7,103	\$ —	1956/1996	
eaves Mission Viejo	Mission Viejo, CA	166	\$ 2,517	\$ 9,241	\$ 7,910	\$ 2,517	\$ 17,151	\$ 19,668	\$ 13,954	\$ 5,714	\$ 5,713	\$ —	1984/1996	
eaves South Coast	Costa Mesa, CA	258	\$ 4,709	\$ 16,063	\$ 17,148	\$ 4,709	\$ 33,211	\$ 37,920	\$ 25,669	\$ 12,251	\$ 12,099	\$ —	1973/1996	
eaves Santa Margarita (2)	Rancho Santa Margarita, CA	302	\$ 4,607	\$ 16,895	\$ 19,343	\$ 4,607	\$ 36,238	\$ 40,845	\$ 25,979	\$ 14,866	\$ 13,001	\$ —	1990/1997	
eaves Huntington Beach	Huntington Beach, CA	304	\$ 4,871	\$ 19,729	\$ 14,702	\$ 4,871	\$ 34,431	\$ 39,302	\$ 29,914	\$ 9,388	\$ 9,785	\$ —	1971/1997	
Avalon Irvine I	Irvine, CA	279	\$ 9,911	\$ 67,504	\$ 10,140	\$ 9,911	\$ 77,644	\$ 87,555	\$ 42,634	\$ 44,921	\$ 47,455	\$ —	2010	
Avalon Irvine II	Irvine, CA	179	\$ 4,358	\$ 40,890	\$ 2,606	\$ 4,358	\$ 43,496	\$ 47,854	\$ 19,289	\$ 28,565	\$ 29,404	\$ —	2013	
eaves Lake Forest	Lake Forest, CA	225	\$ 5,199	\$ 21,117	\$ 9,385	\$ 5,199	\$ 30,502	\$ 35,701	\$ 16,093	\$ 19,608	\$ 20,489	\$ —	1975/2011	
Avalon Baker Ranch	Lake Forest, CA	430	\$ 31,689	\$ 98,004	\$ 2,834	\$ 31,689	\$ 100,838	\$ 132,527	\$ 37,364	\$ 95,163	\$ 97,389	\$ —	2015	
Avalon Irvine III	Irvine, CA	156	\$ 11,607	\$ 43,973	\$ 1,012	\$ 11,607	\$ 44,985	\$ 56,592	\$ 15,447	\$ 41,145	\$ 42,401	\$ —	2016	
Avalon Brea Place	Brea, CA	653	\$ 72,925	\$ 220,151	\$ 117	\$ 72,925	\$ 220,268	\$ 293,193	\$ 34,402	\$ 258,791	\$ 267,340	\$ —	2022	
eaves Seal Beach	Seal Beach, CA	549	\$ 46,790	\$ 104,129	\$ 34,789	\$ 46,790	\$ 138,918	\$ 185,708	\$ 61,413	\$ 124,295	\$ 128,808	\$ —	1971/2013	
Avalon Huntington Beach	Huntington Beach, CA	378	\$ 13,055	\$ 105,981	\$ 2,040	\$ 13,055	\$ 108,021	\$ 121,076	\$ 35,453	\$ 85,623	\$ 88,709	\$ —	2017	
Total Orange County, CA		4,024	\$ 214,213	\$ 767,491	\$ 134,848	\$ 214,213	\$ 902,339	\$ 1,116,552	\$ 368,917	\$ 747,635	\$ 769,696	\$ —		
San Diego, CA														
AVA Pacific Beach	San Diego, CA	564	\$ 9,922	\$ 40,580	\$ 45,215	\$ 9,922	\$ 85,795	\$ 95,717	\$ 65,063	\$ 30,654	\$ 33,574	\$ —	1969/1997	
eaves Mission Ridge	San Diego, CA	200	\$ 2,710	\$ 10,924	\$ 17,891	\$ 2,710	\$ 28,815	\$ 31,525	\$ 23,546	\$ 7,979	\$ 8,435	\$ —	1960/1997	
eaves San Marcos	San Marcos, CA	186	\$ 3,277	\$ 13,385	\$ 10,869	\$ 3,277	\$ 24,254	\$ 27,531	\$ 10,666	\$ 16,865	\$ 17,013	\$ —	1988/2011	
eaves Rancho Penasquitos	San Diego, CA	250	\$ 6,692	\$ 27,143	\$ 14,558	\$ 6,692	\$ 41,701	\$ 48,393	\$ 22,125	\$ 26,268	\$ 27,835	\$ —	1986/2011	
Avalon Vista	Vista, CA	221	\$ 12,689	\$ 43,328	\$ 2,003	\$ 12,689	\$ 45,331	\$ 58,020	\$ 17,149	\$ 40,871	\$ 41,783	\$ —	2015	
eaves La Mesa	La Mesa, CA	168	\$ 9,490	\$ 29,412	\$ 5,348	\$ 9,490	\$ 34,760	\$ 44,250	\$ 19,709	\$ 24,541	\$ 25,900	\$ —	1989/2013	
Avalon La Jolla Colony	San Diego, CA	180	\$ 16,760	\$ 29,234	\$ 11,600	\$ 16,760	\$ 40,834	\$ 57,594	\$ 20,595	\$ 36,999	\$ 38,110	\$ —	1987/2013	
Total San Diego, CA		1,769	\$ 61,540	\$ 194,006	\$ 107,484	\$ 61,540	\$ 301,490	\$ 363,030	\$ 178,853	\$ 184,177	\$ 192,650	\$ —		
TOTAL SOUTHERN CALIFORNIA		17,798	\$ 1,082,726	\$ 3,236,386	\$ 867,621	\$ 1,082,726	\$ 4,104,007	\$ 5,186,733	\$ 1,889,151	\$ 3,297,582	\$ 3,383,000	\$ 183,150		

AVALONBAY COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2025
(Dollars in thousands)

Community	City and state	# of homes	Initial Cost				Total Cost				2024		2025		Year of Completion / Acquisition
			Land and Improvements		Building / Construction in Progress & Improvements		Land and Improvements		Building / Construction in Progress & Improvements		Total Cost, Net of Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation	Encumbrances		
OTHER EXPANSION REGIONS															
North Carolina															
Avalon South End	Charlotte, NC	265	\$ 13,723	\$ 90,017	\$ 4,694	\$ 13,723	\$ 94,711	\$ 108,434	\$ 19,681	\$ 88,753	\$ 92,498	\$ —	—	2020/2021	
AVA South End	Charlotte, NC	164	9,367	45,277	4,812	9,367	50,089	59,456	9,002	50,454	50,284	—	—	2013/2021	
Avalon Hawk (1)	Charlotte, NC	71	2,564	44,255	310	2,564	44,565	47,129	7,167	39,962	41,379	—	—	2021/2021	
Avalon Highland Creek	Charlotte, NC	260	4,586	73,014	875	4,586	73,889	78,475	12,516	65,959	68,671	—	—	2022/2022	
Avalon Mooresville	Mooresville, NC	203	3,770	48,862	501	3,770	49,363	53,133	5,470	47,663	49,488	—	—	2017/2023	
Total North Carolina		963	\$ 34,010	\$ 301,425	\$ 11,192	\$ 34,010	\$ 312,617	\$ 346,627	\$ 53,856	\$ 292,791	\$ 302,320	\$ —	—		
Texas															
Avalon Lakeside	Flower Mound, TX	425	\$ 15,073	\$ 102,992	\$ 1,265	\$ 15,073	\$ 104,257	\$ 119,330	\$ 23,530	\$ 95,800	\$ 99,577	\$ —	—	2015/2021	
Avalon Addison	Addison, TX	196	11,174	59,132	1,260	11,174	60,392	71,566	9,914	61,652	63,526	—	—	1995/2022	
Avalon Frisco at Main	Frisco, TX	360	11,919	71,978	1,597	11,919	73,575	85,494	10,470	75,024	77,462	—	—	2013/2023	
Avalon West Plano	Carrollton, TX	568	14,100	123,617	1,607	14,100	125,224	139,324	19,181	120,143	124,700	61,384	2016/2023		
Total Texas		1,549	\$ 52,266	\$ 357,719	\$ 5,729	\$ 52,266	\$ 363,448	\$ 415,714	\$ 63,095	\$ 352,619	\$ 365,265	\$ 61,384	—		
TOTAL OTHER EXPANSION REGIONS		2,512	\$ 86,276	\$ 659,144	\$ 16,921	\$ 86,276	\$ 676,065	\$ 762,341	\$ 116,931	\$ 645,410	\$ 667,585	\$ 61,384	—		
TOTAL SAME STORE		76,921	\$ 4,323,013	\$ 16,712,630	\$ 2,826,347	\$ 4,323,013	\$ 19,538,977	\$ 23,861,990	\$ 8,445,176	\$ 15,416,814	\$ 15,880,982	\$ 723,152	—		

AVALONBAY COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2025
(Dollars in thousands)

Community	City and state	# of homes	Initial Cost				Total Cost				2024		2025	
			Land and Improvements	Building/Construction Progress & Improvements	Costs to		Land and Improvements	Building/Construction Progress & Improvements	Total	Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation	Encumbrances	Year of Completion / Acquisition
					Acquisition/Construction	Subsequent Construction								
OTHER STABILIZED														
Avalon Sunset Towers (4)	San Francisco, CA	243	\$ 3,561	\$ 21,313	\$ 18,081	\$ 3,561	\$ 39,394	\$ 42,955	\$ 30,847	\$ 12,108	\$ 13,002	\$ —	1961/1996	
Avalon West Dublin	Dublin, CA	499	39,070	223,281	4	39,070	223,285	262,355	14,985	247,370	253,859	—	2024	
AVA Balboa Park	San Diego, CA	100	10,537	40,706	1,160	10,537	41,866	52,403	2,608	49,795	50,313	—	2015/2024	
Avalon Cherry Hills	Englewood, CO	306	9,798	85,404	4,209	9,798	89,613	99,411	7,632	91,779	91,855	—	2015/2024	
Avalon Lowry	Denver, CO	347	15,382	121,829	160	15,382	121,989	137,371	8,757	128,614	136,211	—	2019/2024	
Avalon The Albemarle (4)	Washington, D.C.	234	25,140	55,945	9,668	25,140	65,613	90,753	32,378	58,375	58,681	—	1966/2013	
Avalon Merrick Park	Miami, FL	254	23,779	79,305	—	23,779	79,305	103,084	7,922	95,162	98,105	—	2023	
Avalon Coconut Creek	Coconut Creek, FL	270	17,551	81,659	112	17,551	81,771	99,322	3,224	96,098	—	—	2014/2025	
Avalon Perimeter Park	Morrisville, NC	262	11,533	55,229	2,597	11,533	57,826	69,359	5,047	64,312	64,486	—	2018/2024	
Avalon Townhome Collection Brier Creek	Durham, NC	93	4,564	32,225	—	4,564	32,225	36,789	328	36,461	—	—	2020/2025	
Avalon at Palisades	Charlotte, NC	274	5,881	66,081	62	5,881	66,143	72,024	2,606	69,418	—	—	2020/2025	
Avalon Princeton Circle	Princeton, NJ	221	11,705	75,465	364	11,705	75,829	87,534	6,898	80,636	83,596	—	2023	
Avalon White Plains (4)	White Plains, NY	407	15,391	137,312	7,291	15,391	144,603	159,994	80,216	79,778	82,287	—	2009	
Avalon Amityville	Amityville, NY	338	22,466	113,145	8	22,466	113,153	135,619	8,857	126,762	131,423	—	2024	
Kanso Milford	Milford, MA	162	14,361	48,955	6	14,361	48,961	63,322	2,949	60,373	60,710	—	2024	
Avalon at Pier 121	Lewisville, TX	300	8,418	53,793	1,456	8,418	55,249	63,667	5,611	58,056	59,372	—	2014/2024	
Avalon Townhome Collection Bee Cave	Bee Cave, TX	126	7,955	41,352	365	7,955	41,717	49,672	2,608	47,064	48,748	—	2022/2024	
Avalon Hill Country	Austin, TX	554	19,430	117,062	409	19,430	117,471	136,901	10,478	126,423	—	—	2015/2025	
Avalon Wolf Ranch	Georgetown, TX	303	6,891	44,462	545	6,891	45,007	51,898	3,123	48,775	—	—	2017/2025	
eaves Twin Creeks	Allen, TX	216	9,762	35,812	208	9,762	36,020	45,782	2,176	43,606	—	—	2025	
Avalon Benbrook	Benbrook, TX	301	3,623	57,314	96	3,623	57,410	61,033	3,733	57,300	—	—	2025	
Avalon Castle Hills	Lewisville, TX	276	7,522	59,007	396	7,522	59,403	66,925	3,369	63,556	—	—	2025	
Avalon Frisco	Frisco, TX	330	6,559	74,620	127	6,559	74,747	81,306	4,699	76,607	—	—	2025	
Avalon Frisco North	Frisco, TX	349	12,118	77,253	155	12,118	77,408	89,526	5,356	84,170	—	—	2025	
eaves North Dallas	Dallas, TX	372	16,558	60,334	166	16,558	60,500	77,058	4,908	72,150	—	—	2025	
Avalon Bothell Commons	Bothell, WA	467	26,699	206,444	156	26,699	206,600	233,299	14,874	218,425	225,208	—	2024	
Avalon Redmond Campus	Redmond, WA	214	7,007	81,817	104	7,007	81,921	88,928	5,657	83,271	85,846	—	2024	
eaves Redmond Campus II	Redmond, WA	40	10,951	4,949	—	10,951	15,900	15,900	60	15,840	—	—	1987/2025	
Avalon Alderwood Place	Lynnwood, WA	328	12,524	109,227	7	12,524	109,234	121,758	2,261	119,497	—	—	2022/2025	
The Park Loggia Commercial	New York, NY	N/A	77,393	76,410	12,247	77,393	88,657	166,050	19,629	146,421	148,167	—	2019	
TOTAL OTHER STABILIZED		8,186	\$ 464,129	\$ 2,337,710	\$ 60,159	\$ 464,129	\$ 2,397,869	\$ 2,861,998	\$ 303,796	\$ 2,558,202	\$ 1,691,869	\$ —		
TOTAL CURRENT COMMUNITIES (\$)		85,107	\$ 4,787,142	\$ 19,050,340	\$ 2,886,506	\$ 4,787,142	\$ 21,936,846	\$ 26,723,988	\$ 8,748,972	\$ 17,975,016	\$ 17,572,851	\$ 723,152		

AVALONBAY COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2025
(Dollars in thousands)

Community	City and state	# of homes	2025		2024		2025				
			Initial Cost		Total Cost		Total Cost, Net of Accumulated Depreciation				
			Land and Improvements	Building/Construction in Progress & Improvements	Land and Improvements	Building/Construction in Progress & Improvements	Accumulated Depreciation	Encumbrances	Year of Completion / Acquisition		
Land Held for Development		N/A	\$ 123,751	\$ 8,663	\$ 123,751	\$ 8,663	\$ 132,414	\$ 151,922	\$ —		
Corporate Overhead		N/A	\$ 49,968	\$ 11,414	\$ 49,968	\$ 64,912	\$ 71,131	\$ 80,458	\$ 7,375,000		
2025 Disposed Communities		N/A	—	—	—	—	—	—	\$ 455,407		
TOTAL		96,300	\$ 5,128,411	\$ 21,567,072	\$ 5,128,411	\$ 24,507,355	\$ 29,635,766	\$ 8,829,524	\$ 19,767,062	\$ 8,098,152	(6)

(1) Some or all of the land or an associated parking structure for this community is subject to a finance lease.

(2) This community was under redevelopment for some or all of 2025, with the redevelopment activities not expected to materially impact community operations, and therefore this community is included in the Same Store portfolio and not classified as a Redevelopment Community.

(3) Some or all of the land for this community is subject to an operating lease.

(4) As of December 31, 2025, this community qualified as held for sale.

(5) Current and Development Communities excludes Unconsolidated Communities and Unconsolidated Development Communities.

(6) Balance outstanding represents total amount due at maturity, and excludes deferred financing costs and debt discount associated with the unsecured and secured notes of \$45,620 and \$13,588, respectively.

AVALONBAY COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2025
(Dollars in thousands)

Amounts include real estate assets held for sale.

The aggregate cost of total real estate for federal income tax purposes was approximately \$28,049,554 at December 31, 2025.

The changes in total real estate assets for the years ended December 31, 2025, 2024 and 2023 are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Balance, beginning of period	\$ 27,949,782	\$ 26,864,833	\$ 25,871,363
Acquisitions, construction costs and improvements (1)	2,385,984	1,602,790	1,272,558
Dispositions, including casualty losses, and other activity	(700,000)	(517,841)	(279,088)
Balance, end of period	<u>\$ 29,635,766</u>	<u>\$ 27,949,782</u>	<u>\$ 26,864,833</u>

(1) 2023 amounts have been adjusted to reflect the reclassification of software development costs from Furniture, fixtures and equipment to Prepaid expenses and other assets on the Consolidated Balance Sheet.

The changes in accumulated depreciation for the years ended December 31, 2025, 2024 and 2023, are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Balance, beginning of period	\$ 8,182,720	\$ 7,521,962	\$ 6,878,556
Depreciation (1)	913,376	846,853	781,313
Dispositions, including casualty losses, and other activity	(266,572)	(186,095)	(137,907)
Balance, end of period	<u>\$ 8,829,524</u>	<u>\$ 8,182,720</u>	<u>\$ 7,521,962</u>

(1) 2023 amounts have been adjusted to reflect the reclassification of software development costs from Furniture, fixtures and equipment to Prepaid expenses and other assets on the Consolidated Balance Sheet.

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Board of Directors

Timothy J. Naughton

Chairman of the Board
AvalonBay Communities, Inc.
Investment & Finance Committee

Glyn F. Aeppel

Chief Executive Officer & President,
Glencove Capital
A hotel investment and advisory company
Investment & Finance Committee;
Nominating, Governance and
Corporate Responsibility Committee

Conor C. Flynn

Chief Executive Officer,
Kimco Realty Corporation
A real estate investment trust

Stephen P. Hills

Founding Director,
Business Law Scholars Program,
Georgetown University Law Center
Compensation Committee (Chair);
Investment & Finance Committee

Richard J. Lieb

Retired Investment Bank Executive
Audit Committee;
Compensation Committee

Charles E. Mueller, Jr.

Retired Real Estate Executive
Audit Committee (Chair);
Investment & Finance Committee

Benjamin W. Schall

Chief Executive Officer & President
AvalonBay Communities, Inc.
Investment & Finance Committee

Terry S. Brown

Co-Founder & Managing Partner,
Asana Partners
A real estate investment company
Lead Independent Director;
Nominating, Governance and
Corporate Responsibility Committee;
Compensation Committee

Ronald L. Havner, Jr.

Director and Former Chairman and CEO of
Public Storage
A real estate investment trust
Audit Committee;
Investment & Finance Committee

Christopher B. Howard

Executive Vice President & Chief Operating Officer,
Arizona State University
Nominating, Governance and
Corporate Responsibility Committee;
Investment & Finance Committee

Nnenna Lynch

Founder & Chief Executive Officer,
Xylem Projects
A real estate development venture
Audit Committee;
Investment & Finance Committee (Chair)

Susan Swanezy

Retired Real Estate Investment
Advisory Firm Executive
Compensation Committee;
Nominating, Governance and
Corporate Responsibility Committee (Chair)

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Executive Officers

Benjamin W. Schall

Chief Executive Officer & President

Sean J. Breslin

Chief Operating Officer

Edward M. Schulman

Executive Vice President

General Counsel & Secretary

Alaine S. Walsh

Executive Vice President

Human Capital & Administration

Matthew H. Birenbaum

Chief Investment Officer

Kevin P. O'Shea

Chief Financial Officer & Treasurer

Pamela R. Thomas

Executive Vice President

Portfolio & Asset Management

Investor Information

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Phone: 703.329.6300

Investor Relations Contact

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Arlington, VA 22203

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Website

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Transfer Agent

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[Overnight Delivery](#)

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Providence, RI 02940-3078

Phone: 866.230.0668

www.computershare.com

Common Stock Listing

Ticker: AVB

New York Stock Exchange

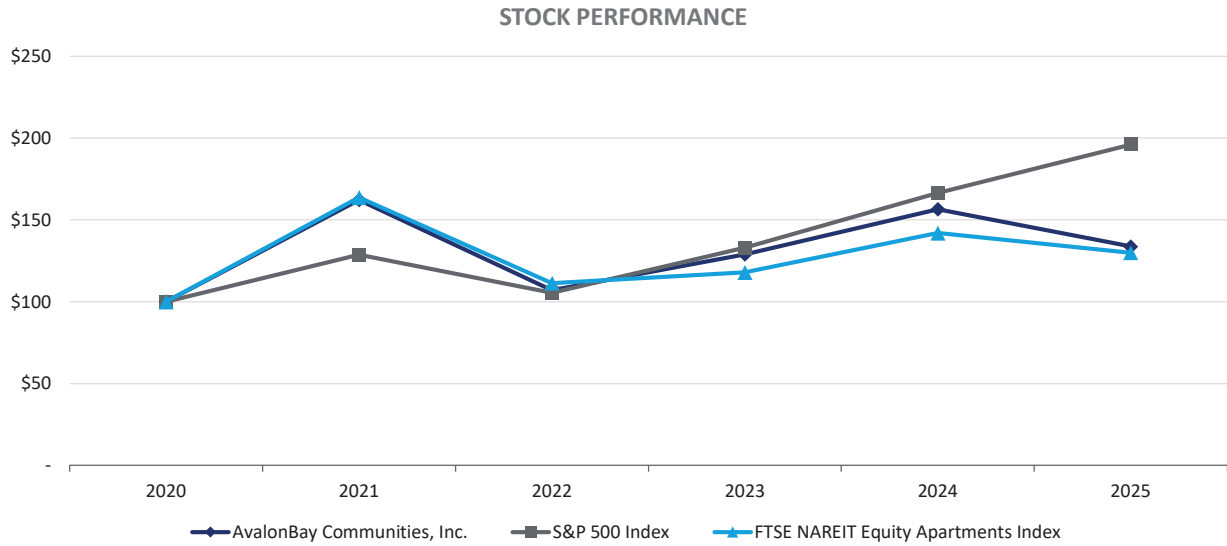
Forward-Looking Statements

This Annual Report contains “forward-looking statements” within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. Please see our discussion titled “Forward-Looking Statements” starting on page 52 of our accompanying Annual Report on Form 10-K for a discussion regarding risks associated with these statements.

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Stock performance graph

The Stock Performance Graph provides a comparison, from December 31, 2020, through December 31, 2025, of the cumulative total shareholder return (assuming reinvestment of dividends) among the Company, a peer group index (the FTSE NAREIT Apartment REIT Index) that includes the Company, and the S&P 500 based on an initial purchase price of \$100. The FTSE NAREIT Apartment REIT Index includes only REITs that invest directly or indirectly primarily in the equity ownership of multifamily residential apartment communities. Upon written request to the Company’s Secretary, the Company will provide any stockholder with a list of REITs included in the FTSE NAREIT Apartment REIT Index. The historical information set forth below is not necessarily indicative of future performance. Data for the FTSE NAREIT Apartment REIT Index and the S&P 500 Index were provided to the Company by S&P Global Market Intelligence.



Index	Period Ending					
	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
AvalonBay Communities, Inc.	\$ 100	162	107	129	157	134
S&P 500 Index	100	129	105	133	166	196
FTSE NAREIT Equity Apartments Index	100	164	111	118	142	130

