CONVECTIONS

AVALONBAY ASSOCIATE MAGAZINE -



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Reflections & Congratulations

Position Spotlight: Community

Investing in our Future: It's the People

AVB Among Top Places to Work



























MAJOR MILESTONES IN THE FIRST QUARTER OF 2018

40 YEARS

Isidoro Gonzalez eaves Seal Beach

25 YEARS _

Amy Rawlings Boston Office

20 YEARS _

Jennifer Lovelace eaves Santa Margarita **Steve Wilson** San Jose Office Angela Franzen Fairfield Office **Steven Carlson** eaves Pleasanton Diane Schmidt Bellevue Office Jennie Rivera Irvine Office Janice Pope Irvine Office Richard Ryan Avalon Sudbury Linda Okamoto Avalon Campbell Robert Turano San Francisco Office

15 YEARS -

Ramon Lopez Avalon at Mission Bay I Eric Carter Arlington Office Sonia Guevara eaves Tysons Corner Veronica Robertazzi Irvine Office Richard Langhill Avalon Framingham Sara Solano Avalon Arlington North Evan Fox Woodbridge Office Peter Stegeman Avalon Norwalk Joy Renobato Memorial Heights Villages Joshua Werme Avalon Blue Hills Michelle Gavin AVA Back Bay

10 YEARS _

Rod Smith San Jose Office Luis Monterrozza Avalon at Foxhall Rosalene Salugao Virginia Beach Office **Doris Vindell** Avalon San Bruno Michael Roman Avalon at Chestnut Hill Catherine Major Hall Virginia Beach Office Jose Garcia Mendez Avalon at Arlington Square Patricia Plantan San Jose Office Charles Hardy San Francisco Office Michael Papagolos Avalon at Center Place Chris Kenyon Avalon Acton Chris Camp Arlington Office Caridad Rodriguez Avalon Westbury Luiza Mendoza Avalon Silicon Valley Elliot Damfo Avalon at Arlington Square Mary Anguiano Eaves Dublin Angela Stevenson New York Office **Kelly Soloway** Avalon at Grosvenor Station Alyssa Perry Avalon Walnut Creek Melvin Guatemala Avalon Studio 4121 Mary Bennett Avalon Walnut Ridge II

THANK YOU FOR YOUR SERVICE TO AVALONBAY!

2 | CONNECTIONS | SPRING 2018 SPRING 2018 | CONNECTIONS | 3 1993 Avalon Properties IPO: 22 communities, 7,000 apartment homes, 470

1994

Bay Communities IPÓ: 10 communities, 2,400 apartment homes, 180

1998 AvalonBay is formed: 126 communities and 37,000 apartment homes establishing the first bicoastal

multifamily REIT

1999 AvalonBav completes the

2001 Bryce Blair is named CEO development of the Bay, its first West Coast high-

2004

2005 Fund I established AvalonBay

completes Avalon

Chrystie Place, its

first Manhattan

development for

of \$150 million

Total Capital Costs

mixed-use

2007 AvalonBav becomes the 12th REIT to join the S&P 500

677

2005

2004

2008 AvalonBay commences operations at its Customer Care

Center (Virginia

Beach, VA)

2009

Fund II established

AvalonBay introduces the AVA and eaves apartment brands

2011

\$500 million asset exchange with UDR

2012

Timothy Naughton is named CEO

AvalonBay closes Development activity peaks at \$4 Archstone billion underway at acquisition, adding 60 year end communities and 20,000

apartment homes

to the portfolio

2013

2017

1,757

1,475

2016

AvalonBay enters #1 Public REIT the Denver and SE for Online Reputation for 3rd Florida markets

1,936

consecutive year AVB recognized among top 100 companies by

Completed recordlevel \$1.9 billion of development

2,291

YEARS AGO

on November 18, 1993, Avalon Properties (NYSE: AVN) successfully completed and closed its initial public offering of 19,525,000 shares priced at \$20.50 per share. This was the beginning of charting a path toward fulfilling a goal of becoming a great public company. Four months later, on March 17, 1994, Bay Apartment unities (NYSE: BYA) began a similar journey, completing its initial public offering of 10,889,742 shares of common stock at \$20 per share. Four years later these two leading REITs merged on June 4, 1998 to form what we know today as AvalonBay Communities, Inc. (NYSE: AVB). At the time, Dick Michaux, the first CEO and Chairman of the combined company, said:

AvalonBay will have unparalleled breadth of abilities and experience within the entire spectrum of multifamily acquisition, development, construction, reconstruction, nunity management. The complementary nature of the two companies' skill sets is compelling.

638

2003

593

2002

590

2001

547

148

2000

402

1998

1999

377

1997

207

105

1996

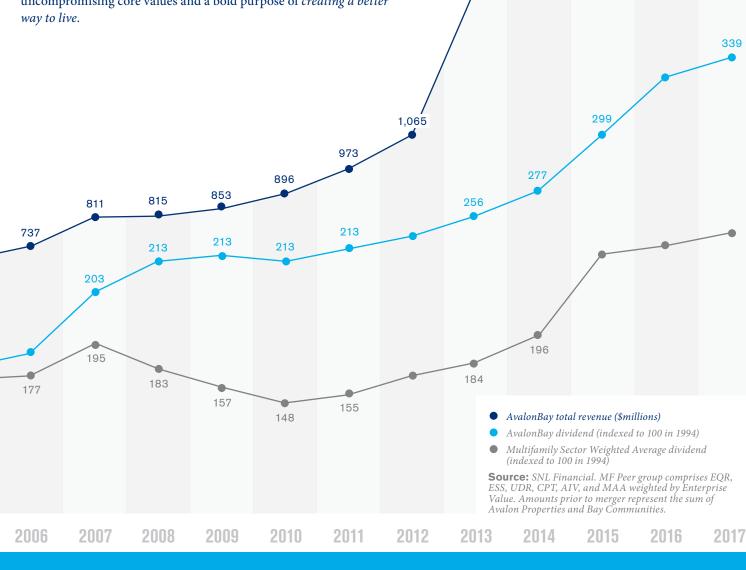
100

1994

1995

TODAY

3,000 associates have chosen AvalonBay as a place to build their career and the company ranks among the 100 Best Places to Work in the U.S. Our portfolio is remarkably diverse, containing a mix of more than 280 garden, mid-rise, high-rise and mixed-use communities, located in suburban, urban and transit-oriented markets with over 84,000 apartments that more than 140,000 people call home. Resident satisfaction is strong and growing and our online reputation surpasses our peers. With an enterprise value over \$30 billion, we have been and continue to be guided by a set of uncompromising core values and a bold purpose of creating a better



THEN + NOW THEN + NOW

THEN+NOW

A LOT HAS CHANGED IN THE LAST 25 YEARS - AT AVALONBAY AND IN THE WORLD AROUND US. TAKE A LOOK. ANY GUESSES ON WHAT 2043 WILL LOOK LIKE?

LEADERS



DICK MICHAUX Founder Avalon Properties Chairman & CEO Avalon 1993-1998 CEO AVB 1998-2001 Chairman AVB 1998-2002



MIKE MEYER Founder Bay Apartment Communities Chairman AVB 1998-2000



BRYCE BLAIR CEO AVB 2001-2011 Chairman AVB 2002-2012



TIM NAUGHTON CEO AVB 2012-Present Chairman AVB 2013-Present

AVB ASSOCIATES

3,000

PHONES



ENTERTAINMENT



650

NETFLIX

AVB COMMUNITIES

288

DATING



AVB APARTMENT HOMES

84,150

DIRECTIONS





AVB ENTERPRISE VALUE



>\$30B

PHOTOS





AVB PRODUCT TYPES

Garden-style

Garden-style, Mixed-use

MARKETS

Did you know that at some point in the last 25 years we operated communities in

Portland

Sacramento Minneapolis

Indianapolis

New Haven

Philadelphia via Oakwood

Richmond

Hampton Roads

Virginia Beach

Ft. Lauderdale

St Louis **Detroit** Chicago Cincinnati Atlanta via SWIB

BARRIERS TO ENTRY

of our market selection strategy. Here's Sam Fuller's, former head of Development, legendary definition of barriers to entry: At a Darien CT planning board hearing, one of the five commission members asked "I read on your website that you specialize in high barrier to entry markets. Can you explain to me what a barrier to entry is?" Sam's reply – "I'm looking at five of them right now..."

Developing in high barrier to entry markets has been a hallmark

BRANDS

CONSUMER BRANDS

1993-2012

2012-PRESENT





1998-2015





CORPORATE BRAND

1993-1998

Avalon Properties

AvalonBay

2015-PRESENT



DESIGN

OUTDOOR AMENITIES





FITNESS CENTERS





KITCHENS





LOUNGES





REFLECTIONS CONGRATULATIONS

Becoming a great public company that just happens to be in real estate begins and ends with great people. For 25 years, Avalon Properties, Bay Communities, and AvalonBay Communities have put people and culture at the forefront of their strategy. Afterall, it's the associates – all of us – who create create great experiences for customers and generate the results that shareholders value.



TIM NAUGHTON
Chairman & CEO

Dear AvalonBay Associates,

25 Years! Congratulations! It's been a great ride. In that time we've grown from a modest upstart at the dawn of the modern REIT era into one of the largest real estate companies in the world -- an impressive S&P 500 company led by you, the most talented and committed team in the sector. Call me a homer, but I know this to be true!

The growth has been remarkable on so many levels. Since 1993, revenues have increased by more than 20 times, our enterprise value by more than 30 times, and our portfolio of apartment communities by roughly 10 times. Our officer ranks have grown six-fold, from 12 to 72 during that time span. In addition to great communities, we've built amazing capabilities across the entire organization that help us pursue and fulfill our purpose of Creating a Better Way to Live. Our relentless focus on the customer experience through the evolution of the product and service offering has helped transform an entire industry. In many ways, our company has become the standard by which others in the industry measure themselves. Let that sink in. Because it's exceptional. And very, very cool!

Despite having been here since the formation of the company, sometimes even I feel like much of the growth and success we've enjoyed was pre-destined. Of course we'd find ourselves here, in this privileged position, some 25 years later. But it's not true. In the mid-90's there were 35 other apartment REITs with no clear leader among the bunch. All were given the same opportunity available to us. So how did it come to be that we would emerge as a clear leader in the sector in the eyes of each of our stakeholders – our customers, associates, bondholders, shareholders, and local communities, alike?

I believe the answer lies mostly in the things that are fundamental to any enduring and successful organization. Purpose. Values. Culture. Strategy is important, for sure, but it's been said that culture eats strategy for lunch! During my time as a leader, I've come to appreciate this sentiment a bit more with each passing day. And I know that it is shared by you. Culture is the connective tissue that ties us to our past, present and future. So, at 25, it's a fitting time to honor our past and celebrate our many accomplishments. It's also an important time to focus on the opportunities and challenges that we currently face. And, of course, it's a good time to look forward and imagine what might be next – over the next 5,10, or... 25 years.

With gratitude,

Tus 9 Th



DICK MICHAUX
Former Chairman & CEO



BRYCE BLAIR
Former Chairman & CEO

Greetings to all AVB Guardians,

I loved reading about this recognition from your associates [Glassdoor Top Companies to Work For] as it reminded me that our goal was to become a great public company that just happens to be in the real estate business. The elements of which included enduring excellence for shareholders, residents and associates, and added later, making a contribution to our local communities through our spirit of caring. The mid-teen compound returns since IPO to shareholders plus the strong scores from residents in anonymous ratings demonstrate great progress toward the first two. Now it appears, after so many twists and turns in the road, that the third has been recognized nationally.

There is great affirmation providing a place where people jump out of bed each morning and look forward to coming to work knowing that their efforts are recognized, rewarded and make a positive difference in other people's lives. The spirit of caring is real within AVB as are the other two core values. Hold them dear without compromise and great things will continue to happen.

Congratulations and thanks,

Dick Michaux

Hello Avalonians,

Congratulations on 25 great years! You know, back in 1993 at the time of the IPO, there was simply no way we could have imagined what the next 25 years would bring.

But here we are now, and in my mind, there's no question that AvalonBay has become the most respected company in the sector. When I think of AvalonBay, I think of it with a great degree of pride. Pride in all that's been accomplished; pride in the communities that have been built, pride in the residents that have been served, pride in the results that have been delivered.

I'm sure you share that pride with me, I hope you also share the excitement for what the next 25 years will bring.

So congratulations again. I miss you all, and I will continue to be one of AvalonBay's greatest cheerleaders.

/g Min

WE FOCUSED OUR ANNUAL STRATEGIC
PLANNING PROCESS ON MAKING DECISIONS
AND DEVELOPING A ROAD MAP THAT WILL
GUIDE OUR GROWTH FOR THE NEXT THREE
TO FIVE YEARS. HERE ARE THE HIGHLIGHTS.

WORKING WITH A FUTURIST, WE IDENTIFIED EIGHT EVENTS, TRENDS AND DEVELOPMENTS LIKELY TO IMPACT OUR BUSINESS IN THE LONGER-TERM — THE NEXT 15-20 YEARS.

SIGNIFICANT DEMOGRAPHIC CHANGES: INCREASED DIVERSITY, LONGER LIFE SPAN, DELAYED LIFE EVENTS

CHANGING NATURE OF WORK CONTINUES SHIFT TOWARD 24/7, MOBILE, FREELANCE (35-45% OF JOBS)

SHARING ECONOMY GROWS AND EXTENDS INTO OTHER CATEGORIES (E.G. HOUSING)

SUSTAINABLE BUILDING SYSTEMS BECOME THE NORM & ENVIRONMENTAL AWARENESS/ SENSITIVITY DEEPENS

DIGITAL/ON-DEMAND ECONOMY BECOMES COMMONPLACE

INCREASED INCOME DISPARITY & WEALTH CONCENTRATION WITH KNOWLEDGE-BASED JOBS AS KEY VALUE DRIVER OF US ECONOMY

AUTONOMOUS VEHICLES FOR RIDE-HAILING, RIDE-SHARING, AND DELIVERY OF GOODS WILL BECOME STANDARD

RISE OF WORK/LIVE/PLAY/THRIVE ENVIRONMENTS

POSITIONING FOR THE FUTURE

FOCUS AREAS

WE CHOSE FOUR KEY FOCUS AREAS TO ADDRESS OUR RESPONSE TO THE ISSUES AND TRENDS SHAPING THE FUTURE.

STRATEGIC INITIATIVES

WE THEN DECIDED ON STRATEGIC INITIATIVES THAT, OVER THE NEXT FEW YEARS, WILL TURN THESE FOCUS AREAS INTO GOAL-ORIENTED ACTION.

NEW GROWTH PLATFORMS

EXPAND INTO NEW MARKETS

We entered the Denver and Southeast Florida markets in 2017 and intend to grow within those markets with a minimum long-term goal of at least 5% of NOI from each of these regions.

PENETRATE NEW SEGMENTS WITH NEW OFFERINGS

We will focus on a new, limited-service offering to target more price-sensitive customers. In 2019, we will also focus on developing an offer for older renters.

EXPAND MIXED-USE

We will grow our pipeline of mixed-use development through partnerships with shopping mall owners and retailers.

CUSTOMER EXPERIENCE INNOVATION

IMPLEMENT VALUE-ADDED PRODUCTS & SERVICES

We're going to explore a variety of ideas that make communities better for our residents, including Furnished Housing, Amazon Package Lockers, and other services.

FUTURE-PROOF DESIGN PRINCIPLES

We will focus on research and renderings to provide design concepts and "toolkits" for development and redevelopment in areas tied to future growth areas, such as parking/autonomous vehicles, sharing of amenities, and on-demand services.

OPERATING EFFICIENCY & MARGIN IMPROVEMENT

ADOPT & INTEGRATE DESIGN & PRODUCT STANDARDS

We will consider options in applying product and design standards through our development and redevelopment platforms to develop a more robust standards compliance program.

RE-IMAGINE OPERATING MODEL

We will identify opportunities to create winning customer experiences at a lower cost by leveraging technology and our scale.



ORGANIZATIONAL EFFECTIVENESS

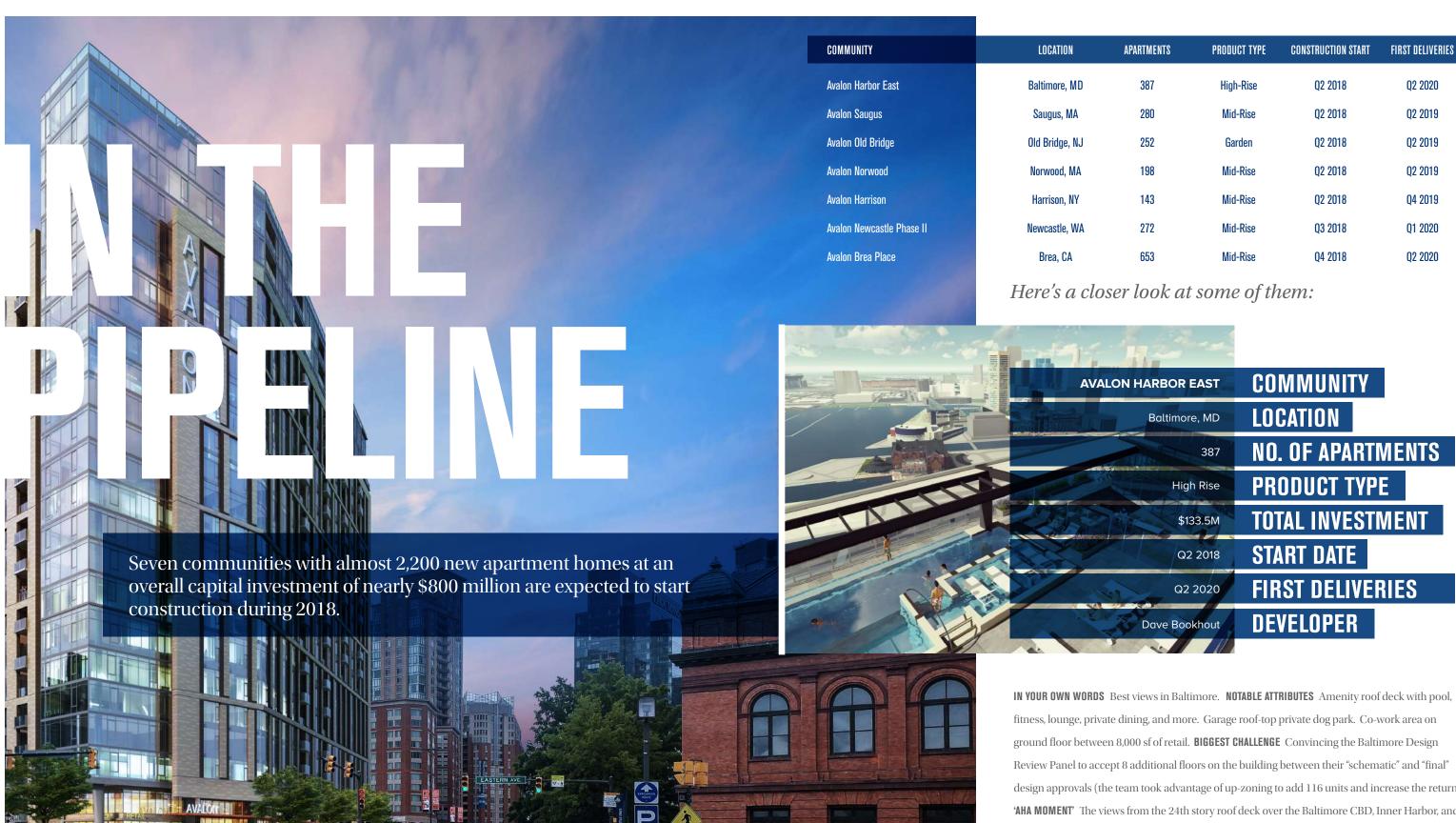
DEVELOP & DEPLOY TALENT MANAGEMENT PROGRAM

We plan to create a talent management program to (i) strengthen the HR and business unit working relationship, (ii) build a talent pipeline, and (iii) position the company for the future.



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IN THE PIPELINE IN THE PIPELINE



fitness, lounge, private dining, and more. Garage roof-top private dog park. Co-work area on ground floor between 8,000 sf of retail. **BIGGEST CHALLENGE** Convincing the Baltimore Design Review Panel to accept 8 additional floors on the building between their "schematic" and "final" design approvals (the team took advantage of up-zoning to add 116 units and increase the returns). 'AHA MOMENT' The views from the 24th story roof deck over the Baltimore CBD, Inner Harbor, and Federal Hill will be even better in person than in the renderings. I can't wait to get up there in a hard hat! MOST EXCITED ABOUT Extending Baltimore's premier neighborhood, Harbor East, to the north by one block and connecting it to the historic neighborhood of Little Italy...and the roof!

FIRST DELIVERIES

Q2 2020

Q2 2019

Q2 2019

Q2 2019

Q4 2019

Q1 2020

Q2 2020

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IN YOUR OWN WORDS Transformative, transit-oriented, Smart Growth development. NOTABLE ATTRIBUTES Walkable to commuter rail, grocery store/pharmacy, and Town Center. BIGGEST CHALLENGE Relocation of three telcom (cell carriers) from inside the existing building (to be demolished). Complex logistics, as well as navigating each of the companies' internal processes. 'AHA MOMENT' The re-opening of Lenox Street for the community. The site is currently developed with old industrial buildings that cut off the access to Lenox Street for the existing residential community. When those come down and we re-open the road, it will be a huge transformation that turns the underutilized site into a key part of a walkable community. MOST EXCITED ABOUT Delivering on our promise to transform an old industrial site into a vibrant, walkable community! In addition, design features that reference the site's historic use as a printing press (The Plimpton Press).

IN YOUR OWN WORDS Modern convenience in a bucolic Central NJ setting. NOTABLE ATTRIBUTES Mix of products with townhomes, flats (walk-up) and elevator building. Located adjacent to Raritan Bay Medical Center – negotiated acquisition of access easement and excess parcel of land from the hospital enabling additional apartments and direct access and visibility from a main road. BIGGEST CHALLENGE Entitlements and assemblage. MOST EXCITED ABOUT Getting a shovel in the ground!



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IN THE PIPELINE



COMMUNITY
LOCATION
NO. OF APARTMENTS
PRODUCT TYPE
TOTAL INVESTMENT
START DATE
FIRST DELIVERIES
DEVELOPER

IN YOUR OWN WORDS Public Private Partnership TOD. NOTABLE ATTRIBUTES Awesome mixed use design right at the train station. BIGGEST CHALLENGE

Coordinating over 500 pages of legal agreements between the Town, The MTA and Metro North. 'AHA MOMENT' When you realize you have the best of both worlds with a great residence in a very prominent town right next to a short train to the greatest city on Earth! MOST EXCITED ABOUT Showing the people of Harrison that this was the right thing for their downtown.

IN YOUR OWN WORDS We have a cactus! NOTABLE ATTRIBUTES Redevelopment of one of the area's most iconic former restaurant sites, The Hilltop Steakhouse. This restaurant opened its doors in 1961 and, while it ultimately shut its doors in 2013, "back in the day" it served over 3 million customers per year. Known for its long lines and its 68 foot tall neon cactus sign, this is a site that is recognized throughout Massachusetts. It also happens to sit on 14 acres with 470' of frontage on one of the area's busiest highway access routes into Boston with over 113,000 cars driving by every day. It's a true mixed-use development, with 280 residential units and 24,000 sf of freestanding retail including a Starbucks, a restaurant, bank, and medical provider. BIGGEST CHALLENGE Aside from finding the right group to restore our 50+ year old cactus, and converting over one mile of neon tubing to energy conserving LED (making it truly the greenest cactus this side of the Mississippi), we also have a ten inch steel pipe Tennessee Gas Line running through the middle of the site. This is a major supply line that runs directly from the Gulf of Mexico. Complicated? Yes, but the AvalonBay construction team has dealt with this before just down the road at our former Avalon at Steven's Pond development. Another advantage of doing repeat business in the same town. 'AHA MOMENT' When prospective residents visit the site and fully understand that the brand new, walkable, multiuse retail truly is an amenity. MOST EXCITED ABOUT Watching this community come to life when both the retail and residential are occupied and fully operational – Living Up, with leases and lattes!



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COMMUNITY CONSULTANTS

True to their moniker, AvalonBay's 420 **Community Consultants and Senior** Community Consultants advise and guide prospects and residents, helping them make it through any number of decisions and issues, all with a goal of finding the best solution to meet their needs. What does a typical day look like? There is no typical day, it's as individual as the prospects and residents they serve. Whether it's choosing an apartment, renewing a lease, or addressing a concern, our Community Consultants are on the front line every day, making a positive difference and always striving to deliver on our promise of creating a better way to live.

SALES AND SERVICE

Following up with leads

Giving tours

Executing leases

Preparing for move-ins

Managing renewals

Checking in and dispersing packages

Walking the property and model apartments

Greeting and building relationships with residents

Addressing concerns

Coordinating events

And more . . .

DIRECT FROM OUR CCs:

Autumn Moody, Avalon Ballston Square/AVA Ballston

The *best tip I have for closing a sale* is to be confident and most importantly, be excited! Prospective residents make decisions based on the energy the consultant and community gives off, so make it count. As long as you've earned their trust and established that rapport, closing the sale will be easy!

What I love most about my job is the atmosphere. Throughout my time with Avalon, I have felt nothing but warmth from not only my immediate peers, but companywide. Not only is the atmosphere welcoming, but because of the field that we're in, there are always new, innovative improvements coming our way! This motivates me to keep evolving as well.

To me, *great customer service means* leaving a good impression, no matter the situation. Whether it's good or bad, everyone should be able to walk away with a smile.

Dylan Berrena, Avalon Riverview

The best tip I have for closing a sale is to stay connected, stay relevant. Your prospect is most likely looking at a multitude of options. If you stay at the center of their attention, consistently reminding them of the features they love, the endless possibilities and convenience in which our properties are nestled, and the experience we strive to provide; the sale is as good as won.

What I love most about my job is a tad hard to narrow to one thing. I love my team and the fact that I am constantly learning, that my management consists of leaders who engender leaders giving way to career growth, and the incredible diverse group of residents we have accumulated. I am very lucky for the people I get to encounter daily.

To me, *great customer service means* providing an exceptional experience regardless of the circumstance. We are in an interesting position in the sense that we are in someone else's home. Our product and service is our clients dwelling and as such we should approach them like we are their guests. So to me, great customer service is engaging with our residents as if we were their guests, being completely transparent of the policies to ensure harmony amongst all the other residents, and having a go-beyond-expectation mentality. I believe this is why we are miles apart from competition and why our residents rave about their experience with Avalon.

Laura Preston, Avalon Mosaic

The best tip I have for closing a sale is confidence. If you are confident in the information that you have used to customize the tour to fit the prospective resident's needs, they will feel confident in their decision to live with Avalon. With this confidence, you will be able to show them that you are capable of handling any issues that may arise during their time in your community.

What I love most about my job is that it is different every day. Although it may not always feel like it, consultants are encountering new prospective residents daily. It is very unlikely that you would encounter the same requests from every prospective resident. This will make every tour different and every lease feel new as well.

To me, *great customer service means* seeing problems all the way through. Making sure that from the onset of any issue that may arise, you see it to its completion. By making sure that you and whomever is experiencing the problem are on the same page and comfortable with the outcome, you have offered the highest form of customer service.

Jack Lieu, Avalon Sunset Towers

The best tips I have for closing a sale are always smile while talking and touring, reinforce your prospect's decision in moving to your community while they complete their application, and know your competitors — particularly any specials they are offering — so you can position your offering the best.

What I love most about my job is the daily interaction with our residents and the the power to make decisions to solve their concerns.

To me, *great customer service means* having something that was promised be honored and to always respond to any concerns in a timely manner and in a respectful way.

WHAT PROSPECTS AND RESIDENTS ARE SAYING:

"The leasing team, specifically Daysha, was so helpful and accommodating. They answered all of our questions, they were patient, Daysha was incredible about following up with us and guiding us through the process. Our previous management company was so difficult to deal with that coming to AVA and being shown so much professionalism was wonderful."

Prospect, AVA NoMa

"I toured the complex first with JeLani and then Austin. They were both warm and courteous. JeLani worked with me to find the perfect townhome. He was very patient throughout the whole process. I will definitely recommend Avalon Russett to friends."

Prospect, Avalon Russett

"My representative Teresa W. was completely amazing during my tour and so was her readiness with all the information I was going to ask. I'd recommend Avalon truly because of my great experience with Teresa."

Prospect, Avalon at Prudential Center

"By far the best customer service I experienced. I'm relocating to California from Georgia and it was very refreshing to have someone maintain

healthy contact with me by following up, accommodating my needs and wants in a unit, and overall keeping me informed on the latest news regarding an apartment availability that worked for me."

Prospect, eaves Seal Beach

"Lets face it – moving is a difficult task. The boxes, the back and forth, asking friends/ family to help you (aka owing future favor), and time. With that being said, the team at Avalon - especially Courtney, made the transition seamless, easy, convenient, and an overall wonderful experience. She was always there when I had any questions and really dedicated the time to making sure my move was an enjoyable experience. As for the other staff members: Sergio, Melissa and Bryan, they were always available and willing to help when Courtney was not around. The apartment was very clean, nice and everything I expect and more! "

Resident, Avalon Somerset

"The leasing staff including, James, Javier, Lemka were very extremely helpful, courteous, welcoming, professional and patient. My "move in" process went easily and effortlessly due to the staff accommodating all my needs. My apartment was clean and looked great."

Resident, eaves San Rafael

"The staff at Eaves at San Marcos is the reason I toured the property a second time and decided to rent here. JJ is extremely competent, experienced, but yet so warm and welcoming. I am so thankful I rented here!"

Resident, eaves San Marcos

"Marie is a SAINT! She helped us every step of the way and made the move in process so simple and effortless. The community has treated us so well so far and we are absolutely in love with our apartment! It was everything I asked for when I first met Marie and she helped my vision become a reality. Thank you to Marie and everyone at Avalon WLB!"

Resident, Avalon West Long Branch

"Julieth dealt with my twelve million questions for a week straight and made sure that nothing was left unchecked and that I understood everything that was going on. She was wonderful and always had a smile on her face."

Resident, AVA Studio City

MAKING A PACT BY USING PACT. AVB's Sales Model.

Prepare. Ask. Customize. Take action. PACT. It's AVB's sales model and this is how it works.



Respond to all leads as quickly as possible. What do we already know about the prospect? What don't we know that we would like to? Begin to find out what specifically they're looking for. Convince them to come in to tour. Check your availability. Know what your competitors are offering. Know what sets your community apart.

Engage prospects in an open dialog to determine their needs and begin to build rapport. What are they looking for? When are they moving? What do they want and what can't they live without? Customize your "pitch" based on what you've learned about the prospect. Focus on the needs that you uncovered. Don't just rattle off a laundry list of community or apartment features – make sure the prospect understands how each one will benefit them.

Summarize the visit or conversation.
Recap why it's a good fit. Create
urgency by emphasizing how pricing
and availability are always subject
to change. Invite them to choose our
community as their next home. If they
need more time, continue to follow up
with them as they make their decision.

FOCUS ON FIRE ELIMINATION:

SETTING A NEW INDUSTRY STANDARD

Continuously improving construction-site fire safety is a top priority for AvalonBay's construction team. Recently, the team has implemented innovative and new fire suppression and sensing technologies at construction sites, leading the industry as a first-mover in this type of prevention, and setting it as a new standard for all new development projects.

The specific improvements include Pillar Technologies' smart sensors which enable monitoring and immediate notification of sudden and intense temperature spikes that indicate a fire could be starting, and the use of Mighty® Fire Supression's Mighty Firebreaker™ fire retardenttreated wood that prevents wood from igniting. Over 500 Pillar Technologies' smart sensors and the fire-retardent wood are installed at the following communities under construction: AVA North Point, Avalon at Edgewater, Avalon Piscataway, Avalon Sudbury and Avalon Residences at the Hingham Shipyard with Avalon Esterra Park and AVA Hollywood coming soon.

FIRE SAFETY AND FIRE **ELIMINATION AT OUR CONSTRUCTION WORKSITES** IS ALWAYS A TOP PRIORITY. PILLAR TECHNOLOGIES AND FIREBREAKER™ ARE THE NEWEST ADDITIONS TO OUR ONGOING EFFORTS TO ELIMINATE ALL FIRES AT AVALONBAY CONSTRUCTION SITES. THROUGH INNOVATION AND CONTINUOUS IMPROVEMENT. **AVALONBAY CONTINUES** TO LEAD THE INDUSTRY IN KEEPING OUR ASSOCIATES, TRADES AND CONSTRUCTION SITES SAFE.

MICHAEL FEIGIN CHIEF CONSTRUCTION OFFICER

INVESTING IN OUR FUTURE: IT'S THE PEOPLE

TALENT MANAGEMENT

Peter Drucker, often called the inventor of modern management, famously said "Developing talent is business's most important task – the sine qua non of competition in a knowledge economy." For those of us not fluent in Latin, sine qua non means the essential, crucial, or indispensable ingredient without which something would be impossible. Developing people, therefore, is the key to competing and succeeding.

We understand that, and that's why we continue to make investments in developing AVB's future leaders.

IMPLEMENT AN 2 BUILD A HR BUSINESS PARTNER MODEL.

The aim of the business partner model is to integrate HR more thoroughly into the key functions of our business. Each key AVB function (e.g. Development, Construction, RS, Asset Management, IT, etc.) will be assigned an HR **Business Partner who** will be the main point of contact and serve as a consultant to the function on human resource-related issues. The HR Business Partner performance. will work closely with HR functional experts (e.g. compensation, benefits, payroll, recruiting, learning and development, etc.) to meet the needs of the function they are

supporting.

TALENT PIPELINE.

HR will provide a set of Identifying and developing senior simplified, streamlined and calibrated tools leaders (Directors, to support talent VPS, SVPs and EVPs) management across is a primary focus. the company. This Creating meaningful will ensure that every development plans is the first step. More function is evaluating talent in the same intentional hiring for future leaders is another way and looking for opportunities to critical component. This includes filling open share talent across the leadership positions with organization to support the company's goals. individuals who may Included in this process not have deep functional knowledge, but possess will be training on how to provide timely, the leadership skills to candid feedback on be successful.

POSITIONING 4 INCREASE **DIVERSITY &** FOR THE FUTURE. INCLUSION.

We are establishing a Diversity and Inclusion Council. This council will direct efforts to increase representation of women and minorities, especially at the Director and Officer level. Matt Birenbaum, our Chief Investment Officer is the executive sponsors and Sarah Mathewson, SVP Operations will chair the council. The council will initially convene in mid-May and establish a plan of action.

AVB RECEOGNIZED AMONG TOP PLACES TO WORK

TAKE ADVANTAGE OF THESE GREAT BENEFITS

AVB RECOGNIZED AMONG TOP PLACES TO WORK

AvalonBay participated in four regional Top Places to Work programs in 2017, and was named a top employer by all of them. Each program was sponsored by a local business journal or newspaper, and partnered with a third-party company to collect and evaluate company information. The evaluation process was similar for all of the lists, consisting of a two-part process designed to gather detailed data about each participating company. The HR team completed a company questionnaire and regional associates completed an employee survey. The survey is similar to an Associate Perspective Survey, gathering information such as employee engagement, satisfaction, pay and benefits.

REGIONAL LISTS:

BayArea NewsGroup

2017 TOP WORKPLACE by the Bay Area News Group

The Boston Globe

2017 TOP PLACES TO WORK by The Boston Globe

LOS ANGELES BUSINESS JOURNAL

2017 BEST PLACES TO WORK by the Los Angeles Business Journal



2018 BEST PLACES TO WORK IN NJ by the NJBiz Business Journal

2018 GLASSDOOR 100 BEST PLACES TO WORK



We were also named #26 on Glassdoor's 100 Best Places to Work list for 2018 in their large company category. Unlike other workplace awards, there is no self-nomination process with Glassdoor. Winners are determined based on anonymous reviews provided by those who really know a company best — our associates and former associates. The winners on the 2018 list had overall ratings that ranged from 4.2 to 4.6 stars (on a 5-star scale), with AVB coming in with a rating of 4.4.

Please take a moment to share your AvalonBay story on Glassdoor to help future associates learn about the company.



Vida Health's Associate Wellbeing Program

Provides free, unlimited one-on-one health coaching for associates and family members via video chat, telephone, or messaging through a state-of-the art app.

Coaches are registered dieticians, nutritionists, personal trainers, and social workers, who are able to help you with a myriad of health concerns including:

- Losing weight
- Diabetes
- Hypertension
- High Cholesterol
- Anxiety and/or Depression
- Training for a marathon

100% free and 100% confidential

www.vida.com/avalonbay/ or download the Vida Health app



Health Advocate's Employee Assistance Program

Provides associates and family members with access to 24/7/365 support from licensed mental health professionals.

Includes 5 free face-to-face sessions with a masters or doctorate-level mental health professional.

Virtual consultations available through video-chat which helps to eliminate barriers to mental health care.

Assists with other work/life services including finding child care, elder care, pet care, and more.

www.healthadvocate.com

866-799-2728

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CULTURE MATTERS

PURPOSE. VALUES. CULTURE. These are the key ingredients that have guided us for the past 25 years and will continue to do so for the next 25. Our culture is really what sets us apart from the competition. It reflects who we are and what we believe. It defines the way we interact with one another and the outside world.

PURPOSE

This is our reason for being, what drives us to get out of bed each morning and come to work motivated and energized.

CREATING A BETTER WAY TO LIVE

VISION

This is our aspiration for where we want to take the company in the future.

TO BE THE LEADING APARTMENT COMPANY IN SELECT U.S. MARKETS BY PROVIDING DISTINCTIVE LIVING EXPERIENCES THAT CUSTOMERS VALUE.

CORE VALUES

Our core values guide our daily actions and serve as guideposts when we have difficult choices to make.

A COMMITMENT TO INTEGRITY

DO THE RIGHT THING ALWAYS

A SPIRIT OF CARING

GENUINE KINDNESS AND CONCERN FOR OTHERS

A FOCUS ON CONTINUOUS IMPROVEMENT

ALWAYS TRYING TO GET BETTER

CULTURAL NORMS

Our cultural norms reflect the behaviors and attitudes that best represent what it is like to work here and what those that have successful careers here have in common.

WE COLLABORATE

We solve problems together in the best interests of all AvalonBay stakeholders—our customers, associates, shareholders and communities. In making decisions, we consider other perspectives and listen to each other, our customers and the market. We share our time and knowledge with each other, and we seek ideas and support from others.

WE EXCEL

We expect the best from ourselves and our colleagues. By being highly engaged in this way, we produce outstanding results. We are motivated self-starters who care and work intensely for AvalonBay's success.

WE ACT LIKE OWNERS

We use the company's resources responsibly. We take smart risks by weighing the pros and cons of decisions, and we take ownership of and accountability for our choices and actions. We act in ways that focus on creating value for our customers, investors and associates.

WE INNOVATE

We challenge convention and recognize problems as the seeds for innovation. We generate new ideas, offer better solutions and embrace change at all levels. Knowing that not all ideas will work, we test new concepts before implementing them full-scale, and we discuss and learn from our failures.

WE SHOW APPRECIATION

We recognize and reward excellent performance, celebrating successes of all sizes in all areas. We provide open, honest feedback and we acknowledge the contributions of others.

WE ARE THOUGHTFUL AND THOROUGH

We use reliable data and sound judgment when making decisions and taking action. That means we do our homework and avoid jumping to conclusions. We plan well, think through the big picture and evaluate the consequences of our decisions in order to best manage risks.

