



INVESTOR TELECONFERENCE PRESENTATION

THIRD QUARTER 2025
OCTOBER 30, 2025



Avalon at the Hingham Shipyard
Hingham, MA



See [Appendix](#) for information about forward-looking statements and definitions and reconciliations of non-GAAP financial measures and other terms.

For the reasons described in the referenced forward-looking statements, our historical results may not be indicative of future results.



PARTICIPANTS



BEN SCHALL

Chief Executive Officer & President

KEVIN O'SHEA

Chief Financial Officer

MATT BIRENBAUM

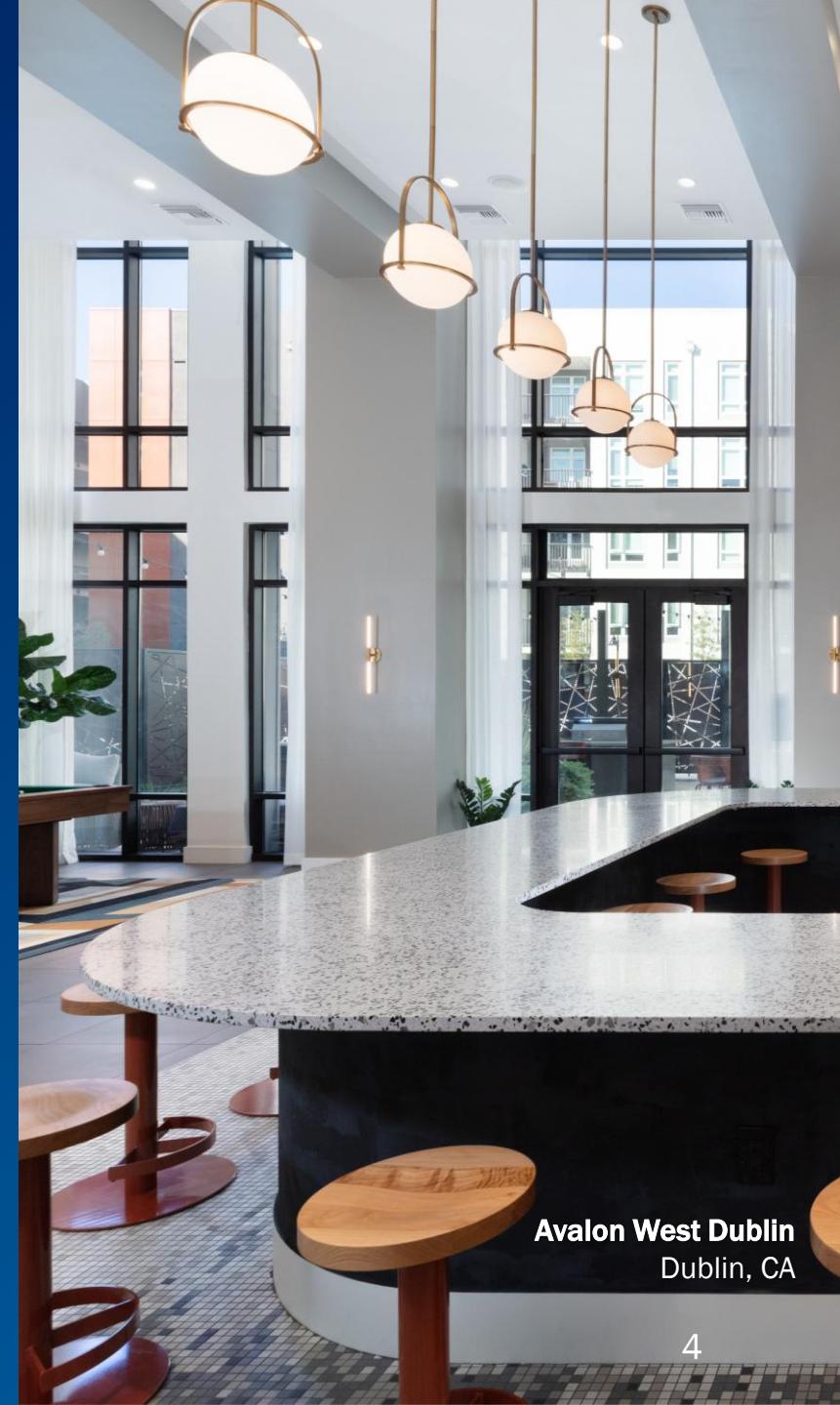
Chief Investment Officer

SEAN BRESLIN

Chief Operating Officer

KEY TAKEAWAYS

- **3Q results below our expectations; Current Full Year outlook reflects lower revenue growth (primarily in 4Q) and revised 2H expense growth forecasts**
- **Established Regions expected to benefit from historically low levels of new supply in 2026**
 - Several drivers supporting Same Store Residential revenue growth in '26
- **~\$3B of Development underway expected to provide incremental earnings and value creation upon stabilization**
 - Projected Initial Stabilized Yields on current lease-ups trending above initial projections
 - 95% Match-Funded with previously sourced, accretive capital
- **Preeminent balance sheet further strengthened by YTD capital markets activities and enables flexibility regarding capital allocation decisions**
- **Substantial progress advancing strategic focus areas in 2025**
 - Increased Suburban and Expansion Region allocations via 2025 transactions
 - Projecting \$9M of Incremental NOI from operating initiatives in 2025; over halfway to achieving \$80M of run-rate Incremental NOI



Avalon West Dublin
Dublin, CA

REVIEW OF 3Q25 RESULTS AND YTD ACTIVITY

| RESULTS AND ACTIVITY | 3Q | YTD |
|---|------------------------|-----------------------|
| CORE FFO PER SHARE GROWTH YEAR-OVER-YEAR | 0.4% | 2.3% |
| SAME STORE RESIDENTIAL REVENUE GROWTH YEAR-OVER-YEAR | 2.3% | 2.7% |
| DEVELOPMENT STARTS⁽¹⁾ | \$435M | \$1.0B |
| CAPITAL RAISED⁽²⁾ WTD. AVG. INITIAL COST OF CAPITAL ⁽³⁾ | \$1.1B 5.2% | \$2.0B 5.0% |
| SHARES REPURCHASED WTD. AVG. STOCK PRICE | \$150M \$193 | |

Source: Internal company reports.

See Appendix for a reconciliation of Net Income attributable to common stockholders to FFO and to Core FFO.

(1) Includes the Company's expansion of Avalon Pleasanton, representing an incremental \$160M of projected Total Capital Cost.

(2) Capital raised includes net proceeds from all debt and equity issuances (inclusive of DownREIT Units), wholly-owned dispositions, and distributions from unconsolidated real estate entities.

(3) Weighted average initial cost of capital includes all equity (inclusive of DownREIT Units) and debt (inclusive of the effect of interest rate hedges) issuances, and wholly-owned dispositions only.



Avalon Redmond Campus
Redmond, WA

3Q CORE FFO PER SHARE BELOW OUR OUTLOOK, DRIVEN BY UNFAVORABLE SAME STORE EXPENSE RESULTS AND MODESTLY LOWER SAME STORE REVENUE



COMPONENTS OF 3Q 2025 CORE FFO PER SHARE

RELATIVE TO THE MIDPOINT OF THE OUTLOOK RANGE

\$2.82



Source: Internal company reports.

Outlook based on the midpoint of the outlook range as provided in the Company's earnings supplement dated July 30, 2025.

(1) The components of 3Q25 Same Store Residential revenue results relative to our outlook are attributable to unfavorable lease rates, economic occupancy, and bad debt.

(2) The components of 3Q25 Same Store Residential operating expense results relative to our outlook are attributable to unfavorable repairs and maintenance, utilities, insurance, and the benefits portion of payroll expenses.

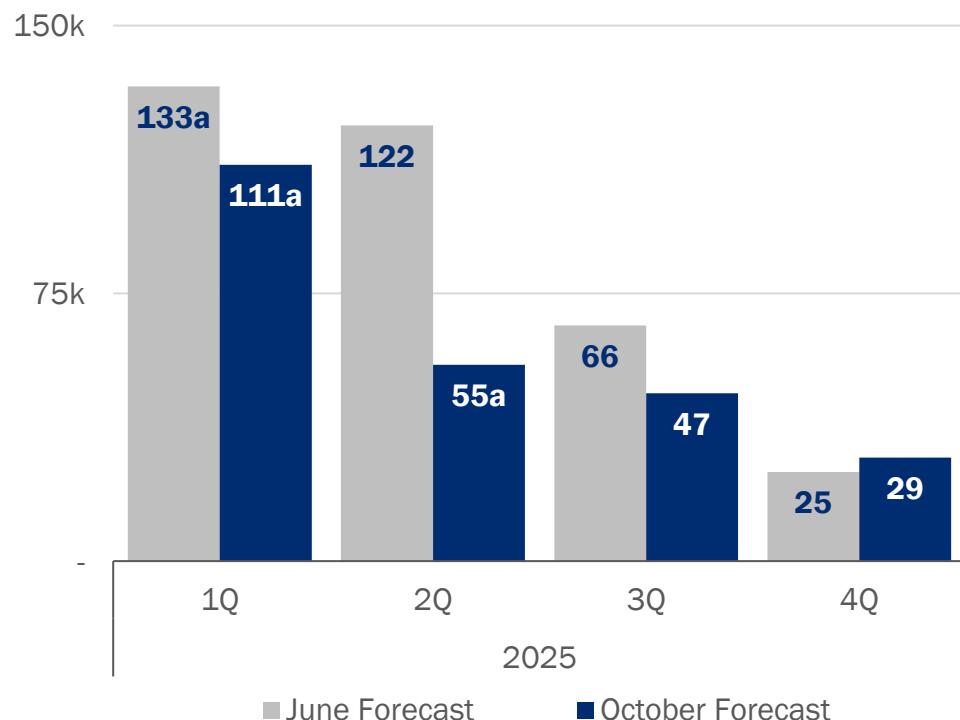
(3) Third quarter Capital Markets Activity results reflect lower Net Operating Income relative to our outlook for assets within the held for sale bucket, which were subsequently disposed of during the third quarter.

JOB GROWTH HAS FALLEN SHORT OF TEMPERED MID-YEAR EXPECTATIONS; REVENUE MODERATED BELOW OUR FORECAST LATE IN 3Q AND INTO OCTOBER



NABE JOB GROWTH FORECAST

MONTHLY NONFARM EMPLOYMENT CHANGE PER QUARTER, THOUSANDS



3Q 2025 SAME STORE RESIDENTIAL REVENUE YEAR-OVER-YEAR GROWTH COMPONENTS

SELECT COMPONENTS OF MONTHLY AND QUARTERLY VARIANCE
TO PRIOR OUTLOOK

| | July | August | September | 3Q25 |
|---|-------|----------|-----------|-----------------|
| Prior Outlook⁽¹⁾ | | | | 2.8% |
| Effective lease rates | \$65k | (\$230k) | (\$315k) | (\$480k) |
| Economic Occupancy | \$5k | \$70k | (\$410k) | (\$335k) |
| Net impact of Rent and Occupancy | | | | (\$815k) |
| Other Rental Revenue | | | | (\$385k) |
| Uncollectible lease revenue | | | | (\$310k) |
| Total (\$) | | | | (\$1.5M) |
| 3Q25 Actual | | | | 2.3% |

Source: National Association for Business Economics, U.S. Census Bureau, Moody's Analytics, AVB Market Research Group.

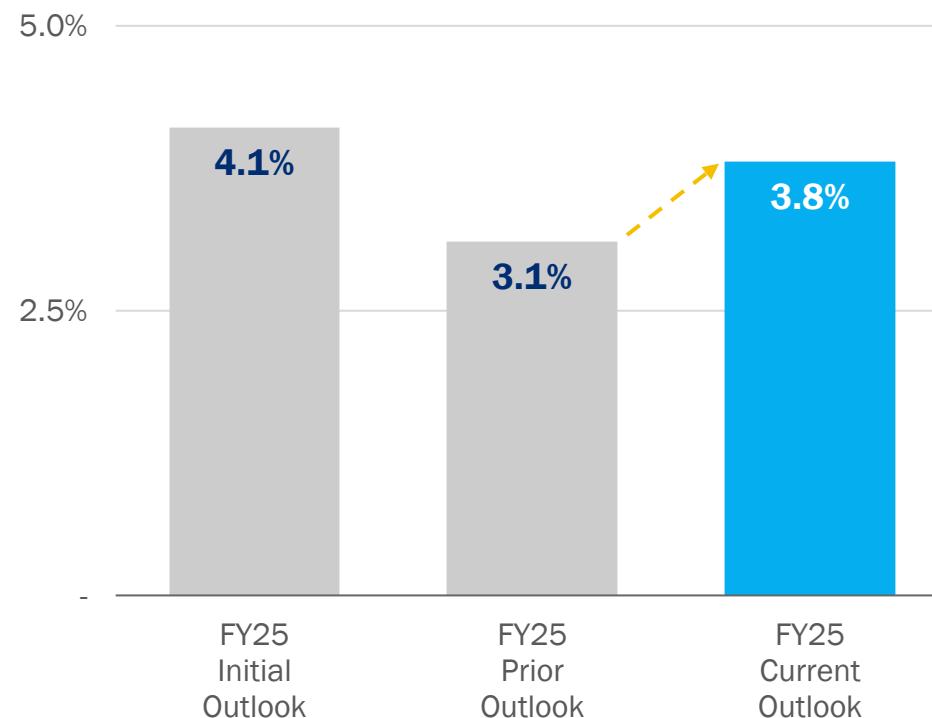
(1) Prior Outlook based on the midpoints of the outlook ranges as provided in the Company's earnings supplement dated July 30, 2025.

CURRENT OPEX OUTLOOK REFLECTS FIRST HALF SAVINGS PARTIALLY OFFSET BY HIGHER COSTS IN SELECT CATEGORIES DURING THE SECOND HALF



SAME STORE OPERATING EXPENSE GROWTH OUTLOOK

RELATIVE TO THE MIDPOINT OF THE OUTLOOK RANGE



COMPONENTS OF +70BPS INCREASE IN FULL YEAR

2025 SAME STORE OPERATING EXPENSE GROWTH

CURRENT OUTLOOK RELATIVE TO PRIOR OUTLOOK

| | Contribution | Commentary |
|-------------------------|--------------|--|
| Repairs and Maintenance | 35bps | Higher contract spend, non-routine projects and timing across various categories |
| Insurance | 15bps | Increase in and timing of claims activity |
| Utilities | 10bps | Elevated water/sewer consumption, sewer tax and timing of reimbursements |
| Payroll Benefits | 10bps | Increase in benefits related costs |

Source: Internal company reports.

Prior Outlook based on the midpoints provided in the Company's earnings supplement dated July 30, 2025.

Initial Outlook based on the midpoints provided in the Company's earnings supplement dated February 5, 2025.

UPDATED 2025 FULL YEAR OUTLOOK

| 2025 FULL YEAR OUTLOOK SUMMARY | CURRENT | PRIOR ⁽¹⁾ | INITIAL ⁽²⁾ |
|--|-------------|----------------------|------------------------|
| PROJECTED CORE FFO PER SHARE GROWTH | | | |
| MIDPOINT OF OUTLOOK RANGE | 2.2% | 3.5% | 3.5% |
| SAME STORE RESIDENTIAL | | | |
| REVENUE GROWTH ⁽³⁾ | 2.5% | 2.8% | 3.0% |
| OPERATING EXPENSE GROWTH | 3.8% | 3.1% | 4.1% |
| NOI GROWTH | 2.0% | 2.7% | 2.4% |

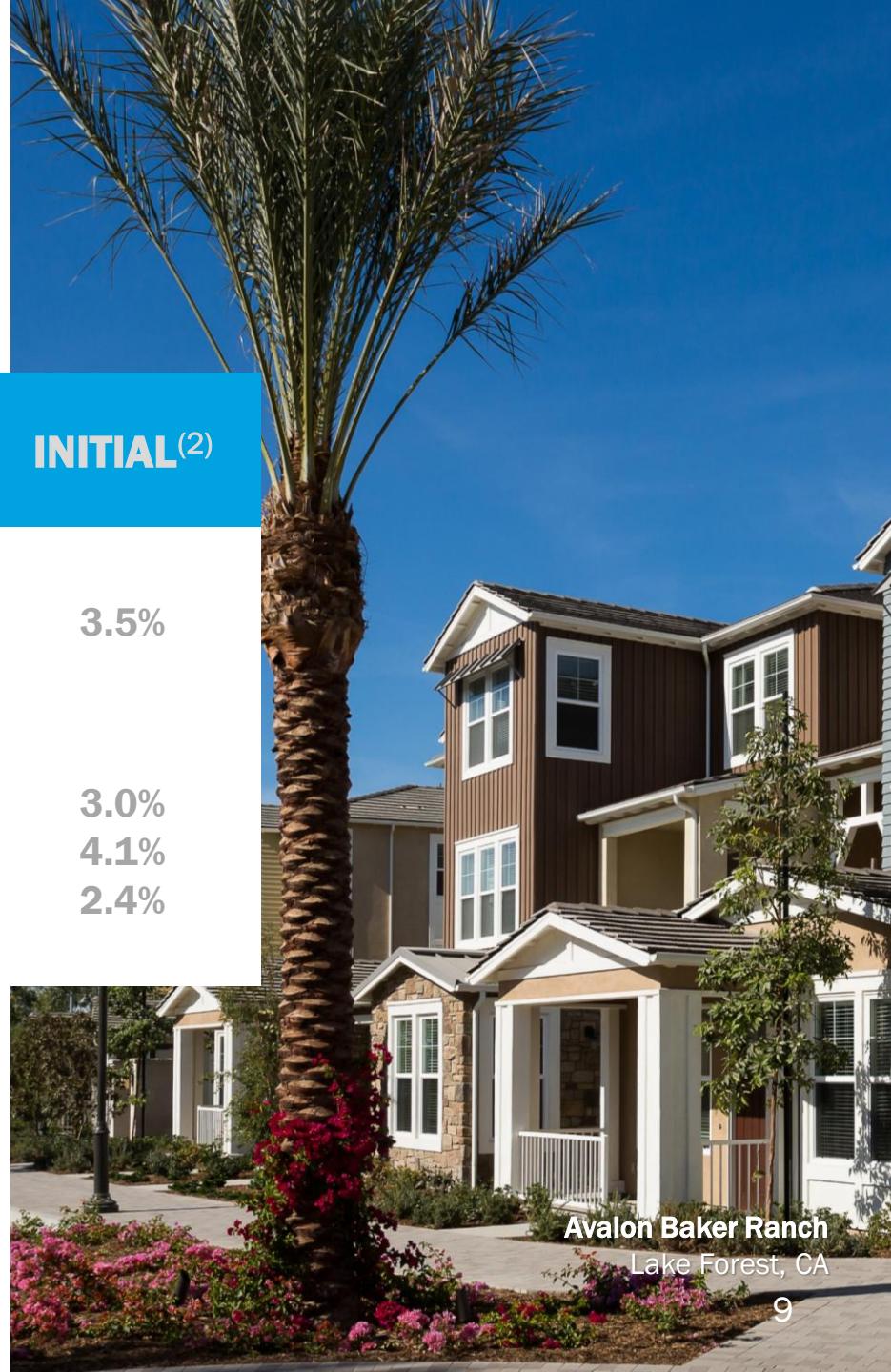
Source: Internal company reports.

See Appendix for a reconciliation of Projected Net Income attributable to common stockholders to Projected FFO and to Projected Core FFO.

1) Based on the midpoints of the outlook ranges as provided on Attachment 12 in the Company's earnings supplement dated July 30, 2025.

2) Based on the midpoints of the outlook ranges as provided on Attachment 13 in the Company's earnings supplement dated February 5, 2025.

3) 10bps of the decrease in the Company's projected full year Same Store Residential revenue growth relative to its initial outlook is due to changes in the composition of the Same Store pool attributable to completed disposition activity.



Avalon Baker Ranch
Lake Forest, CA

PROJECTED CORE FFO PER SHARE OUTLOOK REFLECTS LOWER REVENUE GROWTH (PRIMARILY IN 4Q) AND REVISED 2H EXPENSE GROWTH FORECAST



COMPONENTS OF 2025 CORE FFO PER SHARE OUTLOOK CHANGE

RELATIVE TO THE MIDPOINT OF THE OUTLOOK RANGE

| | 3Q25a | 4Q25e ⁽⁴⁾ | FY 2025e |
|--|-----------------|----------------------|-----------------|
| Prior Outlook⁽¹⁾ | \$2.80 | \$2.94 | \$11.39 |
| Same Store Revenue ⁽²⁾ | (\$0.01) | (\$0.04) | (\$0.05) |
| Same Store Operating Expenses ⁽³⁾ | (\$0.02) | (\$0.02) | (\$0.04) |
| Same Store NOI | (\$0.03) | (\$0.06) | (\$0.09) |
| Capital Markets Activity | (\$0.01) | \$0.01 | — |
| Overhead | (\$0.01) | \$0.01 | — |
| NOI from New Development | — | (\$0.01) | (\$0.01) |
| Joint Venture & Other | — | (\$0.02) | (\$0.02) |
| Commercial NOI | — | (\$0.02) | (\$0.02) |
| Total Adjustments | (\$0.05) | (\$0.09) | (\$0.14) |
| 3Q Actual and Current Outlook | \$2.75 | \$2.85 | \$11.25 |

Source: Internal company reports.

1) Based on the midpoints of the outlook ranges as provided on Attachment 12 in the Company's earnings supplement dated July 30, 2025.

2) Fourth quarter Same Store Residential Revenue forecast primarily driven by lower projected lease rates (\$0.03) and lower economic occupancy (\$0.01).

3) Please refer to Slide 8 of this presentation for additional details on Same Store Residential operating expense results and outlook.

4) The Company's prior fourth quarter Projected Core FFO (\$2.94) per share was implied by the Company's prior full year outlook provided July 30, 2025 (\$11.39), actual results for YTD 2025 (\$5.65), and the Prior Outlook for 3Q 2025 provided July 30, 2025 (\$2.80).

SAME STORE PORTFOLIO METRICS STARTED TO MODERATE IN AUGUST, WITH TRENDS MORE PRONOUNCED IN SEPTEMBER AND OCTOBER



2025 SAME STORE RESIDENTIAL

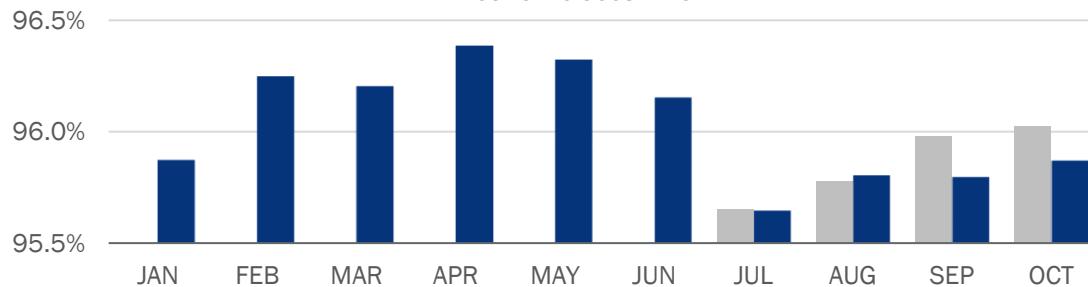
PRIOR OUTLOOK

ACTUAL

1

OCCUPANCY TRENDS WERE MODESTLY FAVORABLE BEFORE SOFTENING IN SEPTEMBER AND OCTOBER

ECONOMIC OCCUPANCY



2

RENT CHANGE FELL MODESTLY BELOW EXPECTATIONS STARTING IN AUGUST AND HAS CONTINUED THROUGH OCTOBER...

LIKE-TERM EFFECTIVE RENT CHANGE



3

...DRIVEN PRIMARILY BY NEW MOVE-IN RENT CHANGE

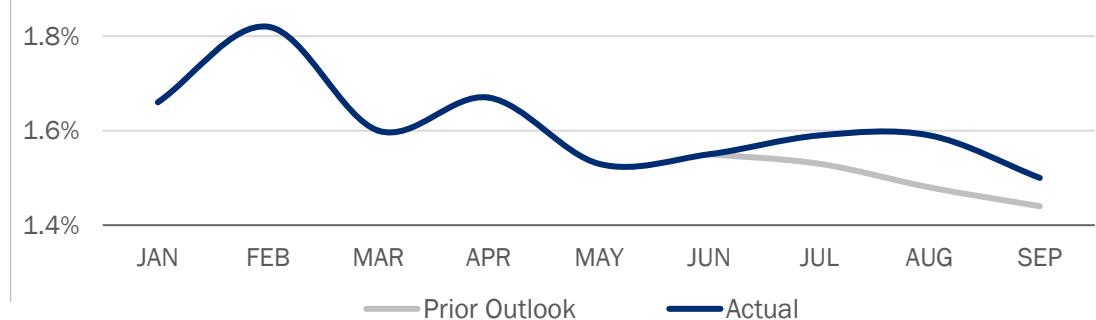
NEW MOVE-IN AND RENEWAL LIKE-TERM EFFECTIVE RENT CHANGE



4

BAD DEBT CONTINUES TO IMPROVE, BUT AT PACE MODESTLY BELOW OUR PRIOR FORECAST

UNDERLYING UNCOLLECTIBLE LEASE REVENUE AS A % OF TOTAL REVENUE



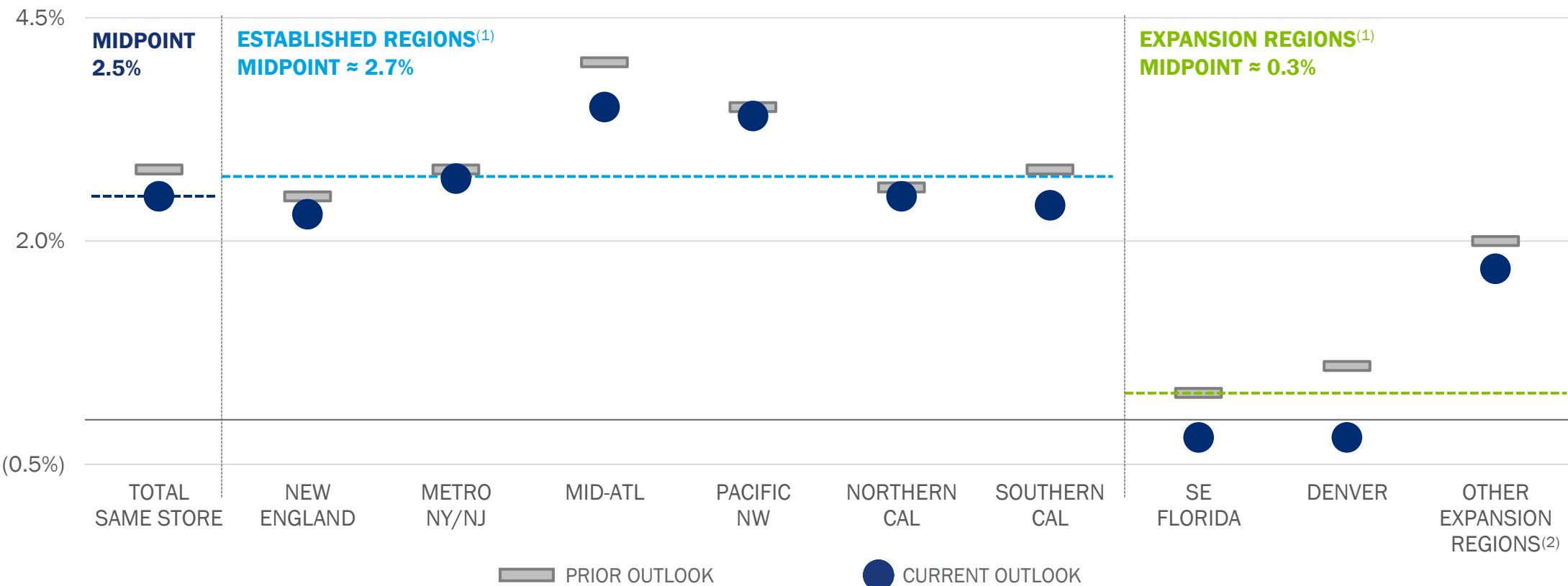
Source: Internal company reports.

October data through October 26, 2025.

MID-ATLANTIC AND SOUTHERN CALIFORNIA DRIVING MAJORITY OF REDUCTION IN REVENUE GROWTH EXPECTATIONS; EXPANSION REGIONS ALSO LOWER



PRIOR AND CURRENT 2025 FULL YEAR SAME STORE RESIDENTIAL REVENUE GROWTH PROJECTIONS BY REGION



Source: Internal company reports.

Prior Outlook provided on Attachment 12 in the Company's earnings supplement dated July 30, 2025.

(1) Established Regions projected to represent $\approx 93\%$ of Same Store Residential revenue in 2025; Expansion Regions projected to represent approximately $\approx 7\%$ of Same Store Residential revenue in 2025.

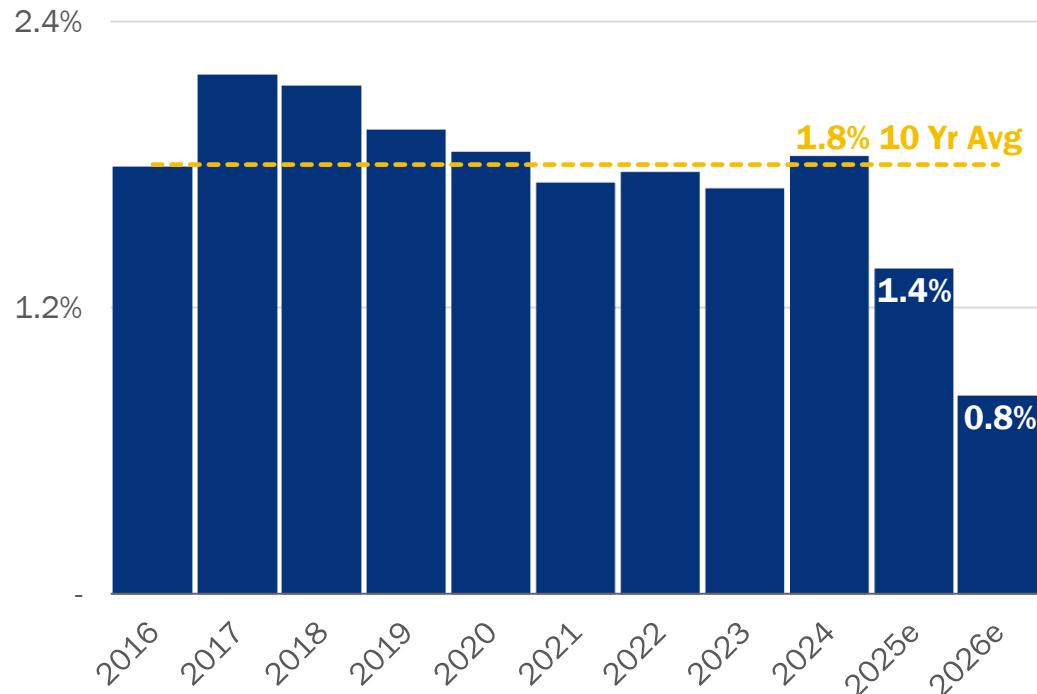
(2) Represents 2,512 homes in Charlotte, North Carolina and Dallas, Texas.

ESTABLISHED REGIONS WELL POSITIONED AS SUPPLY DECLINES TO HISTORICAL LOWS; RELATIVE AFFORDABILITY REMAINS SIGNIFICANTLY IN FAVOR OF RENTING

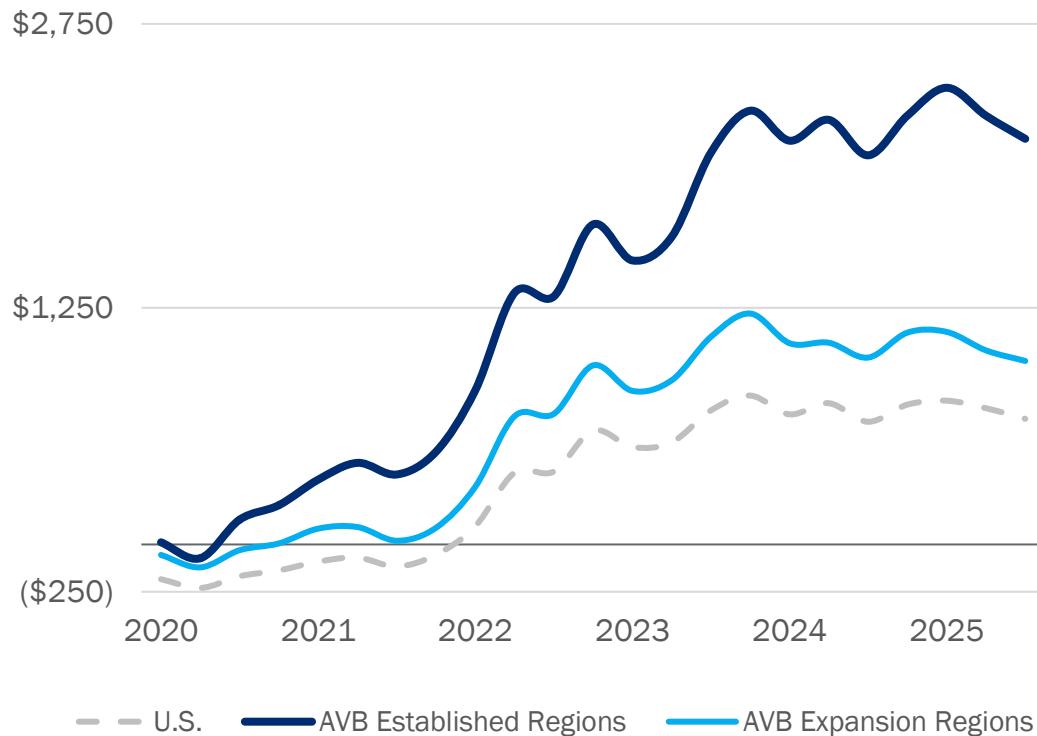


NEW MARKET RATE APARTMENT DELIVERIES

AVB ESTABLISHED REGIONS
AS A % OF EXISTING INVENTORY



MEDIAN MORTGAGE PAYMENT LESS APARTMENT RENT⁽¹⁾



Source: CoStar, U.S. Census Bureau, Moody's Analytics, National Association of Realtors, Freddie Mac, National Association of Homebuilders, AVB Market Research Group.

(1) Based on a median monthly mortgage payment (30-year fixed rate, 20% down payment, average property tax) minus monthly apartment rent (80+ unit buildings).

PROJECTED INITIAL STABILIZED YIELDS ON DEVELOPMENT UNDERWAY TRENDING ABOVE UNDERWRITING GIVEN MEANINGFUL COST SAVINGS AND HIGHER RENTS



Key Metrics

95%

MATCH-FUNDED

(DEVELOPMENT UNDERWAY)

6.2%

**PROJECTED INITIAL
STABILIZED YIELD**

(UNTRENDED)

100-150bps
SPREAD TO COST OF CAPITAL
AND UNDERLYING CAP RATES

Development Underway

\$3.2B Projected Total Capital Cost

22 Communities | ≈8,300 Homes

| | Communities | Regions | Projected Initial Stabilized Yield | Projected Total Capital Cost | Rents ⁽⁴⁾ |
|---|-------------|-------------------------------------|--|---|--|
| Current Lease-up Communities⁽¹⁾ | 6 | CA, FL, MD, NC, NJ | 6.3% +10bps vs. underwriting | \$950M ↓\$10M (~1%) vs. underwriting ⁽²⁾ | +\$50/month (+2%) vs. underwriting |
| Additional 2025 Lease-ups | 3 | NJ | 6.6% | \$575M positioned well for savings at completion | Opening rent data from pre-leasing at the 3 communities ~2% above underwriting ⁽³⁾ |
| 2026 & Beyond | 13 | CA, CO, FL, MA, MD, NC, TX | 6.2% | \$1.7B strong early construction buyout savings | Rents untrended; underwritten at time of construction start |

Source: Internal company reports.

For incremental detail, please refer to Attachment 9 in the Company's earnings supplement dated October 29, 2025.

(1) Includes Avalon Pleasanton, which is comprised of Avalon Pleasanton Phase 1, representing 82 units currently in lease-up, and Avalon Pleasanton Phase II, representing 280 units currently under construction. The rent metrics presented include Phase 1 in Current Lease-up Communities, with current revenue per home is ~\$4,590 per month compared to the underwritten ~\$4,240 per month. Avalon Pleasanton has been excluded from the Projected Stabilized Yield Metrics.

(2) Includes 3Q25 Development completion Avalon Annapolis, where the Total Capital Cost of \$195M upon completion was \$7M below original Projected Total Capital Cost.

(3) Reflects initial leasing at Avalon West Windsor, Avalon Wayne, and Avalon Roseland II.

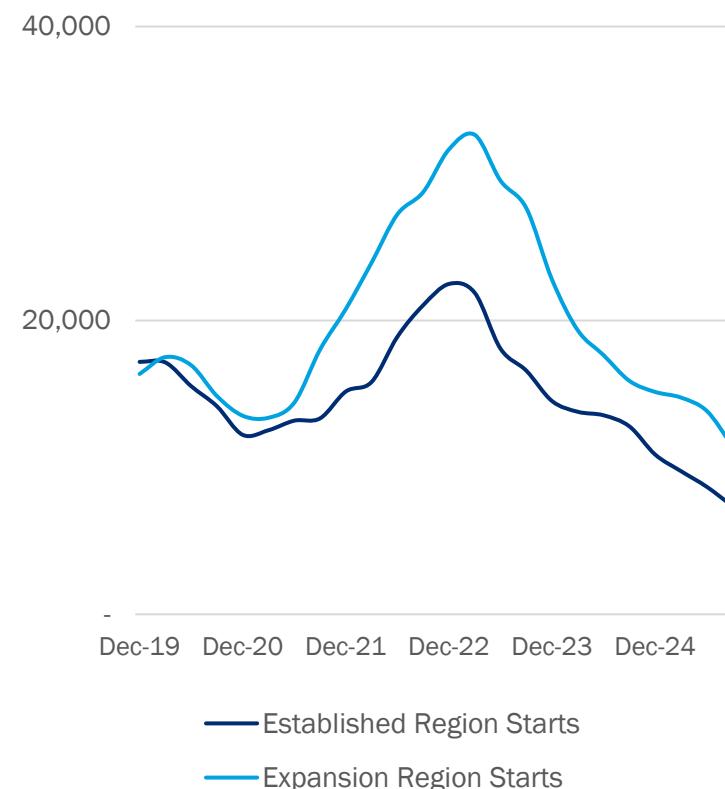
(4) Represents avg. monthly revenue per home.

POTENTIAL 2026 DEVELOPMENT STARTS SUPPORTED BY LESS COMPETITION AND DECLINING COSTS; START VOLUME TO BE RESPONSIVE TO MARKET ENVIRONMENT



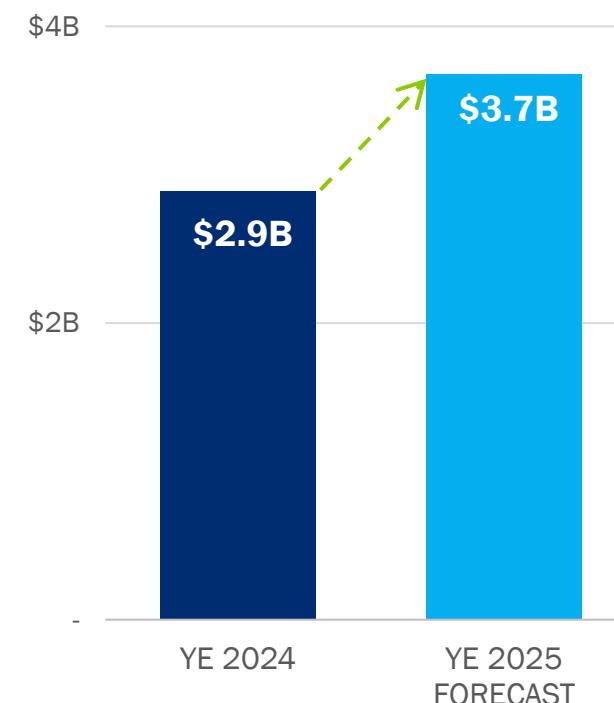
Multifamily Construction Starts

Trailing 12 Month Avg.
AVB Established and Expansion Regions



AVB Development Underway⁽¹⁾

YE24 Actual, YE25 Forecast



2026 New Development Starts Outlook Considerations

Tailwinds

- Falling construction starts in industry
- Improving construction cost trends
- Lower competitive new supply in ~2-3 years
- Adequate spreads to cap rates & funding costs

Headwinds

- Elevated cost of capital
- Softening revenue environment

Source: U.S. Census Bureau, CoStar, AVB Market Research Group

(1) Year-end Development underway includes actual 4Q completions for year-end 2024, as well as projected 4Q completions for year-end 2025.



FORWARD-LOOKING STATEMENTS



This presentation dated October 30, 2025 is provided in connection with AvalonBay's third quarter 2025 earnings conference call on October 30, 2025. This presentation is intended to accompany AvalonBay's earnings release dated October 29, 2025 and should be read in conjunction with the earnings release. AvalonBay does not intend to update any of these documents, which speak only as of their respective dates.

The earnings release is available on AvalonBay's website at <https://investors.avalonbay.com/>

For definitions, additional information and reconciliations of non-GAAP financial information and certain defined terms included in this presentation, see pages 18 to 26 in this presentation in addition to Attachment 12 to the earnings release.

This presentation dated October 30, 2025 contains forward-looking statements, which are indicated by the use of words such as "expects," "projects," "forecast," "outlook," "estimate" and other words that do not relate to historical matters. Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking statements. These statements are not guarantees of future performance or events and the Company cautions you against relying on any of these forward-looking statements. For information concerning risks and other factors that could cause such differences, see "Forward-Looking Statements" in AvalonBay's third quarter 2025 earnings release that accompanies this presentation. The Company does not undertake a duty to update the projections and expectations stated in this presentation, which speak only as of the date of this presentation unless otherwise referenced.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS



Asset Preservation Capex represents capital expenditures that the Company does not expect will directly result in increased revenue or expense savings.

Commercial represents results attributable to the non-apartment components of the Company's mixed-use communities and other non-residential operations.

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.

DownREIT Units means units representing limited partnership interests in the "downREIT" partnership that acquired the Dallas-Fort Worth portfolio of six communities in April 2025. Each DownREIT Unit is entitled to receive quarterly distributions at the same rate as quarterly dividends on a share of the Company's common stock (pro rated for the time outstanding during the first quarter of issuance). Following the one-year anniversary of the closing date, each holder of a DownREIT Unit will have the right to initiate a transaction in which each DownREIT Unit may be redeemed for a cash amount related to the then-current trading price of one share of the Company's common stock or, at the Company's election, one share of the Company's common stock.

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

Established 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.

Expansion Regions include markets located in Raleigh-Durham and Charlotte, North Carolina, Southeast Florida, Dallas and Austin, Texas, and Denver, Colorado.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS



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):

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS



| | Q3 2025 | Q3 2024 | YTD 2025 | YTD 2024 |
|--|-------------|-------------|--------------|--------------|
| Net income attributable to common stockholders | \$ 381,306 | \$ 372,519 | \$ 886,568 | \$ 799,902 |
| Depreciation - real estate assets, including joint venture adjustments | 227,962 | 210,992 | 674,853 | 628,677 |
| Income attributable to noncontrolling interests | 2,856 | - | 4,046 | - |
| (Gain) loss on sale of previously depreciated real estate | (180,155) | (172,973) | (336,081) | (241,459) |
| Casualty loss on real estate | - | - | 858 | 2,935 |
| FFO | 431,969 | 410,538 | 1,230,244 | 1,190,055 |
| | | | | |
| Adjusting items: | | | | |
| Unconsolidated entity losses (gains), net (1) | (42,350) | (25,261) | (39,885) | (34,823) |
| Structured Investment Program loan reserve (2) | 236 | (813) | 6 | (771) |
| Hedge accounting activity | 2 | 25 | 24 | 80 |
| Advocacy contributions | 150 | 3,732 | 237 | 5,914 |
| Executive transition compensation costs | - | 200 | - | 304 |
| Severance related costs | 751 | 738 | 953 | 1,979 |
| Expensed transaction, development and other pursuit costs, net of recoveries (3) | 503 | 252 | 5,798 | 3,857 |
| Other real estate activity (4) | (127) | (293) | (3,874) | (574) |
| Legal settlements and costs | 3,252 | 781 | 8,828 | 2,289 |
| Income tax benefit | (193) | 782 | (840) | 698 |
| Core FFO | \$ 394,193 | \$ 390,681 | \$ 1,201,491 | \$ 1,169,008 |
| | | | | |
| Weighted average common shares outstanding - diluted | 143,535,401 | 142,516,684 | 143,104,755 | 142,376,434 |
| | | | | |
| Earnings per common share - diluted | \$ 2.68 | \$ 2.61 | \$ 6.22 | \$ 5.62 |
| FFO per common share - diluted | \$ 3.01 | \$ 2.88 | \$ 8.60 | \$ 8.36 |
| Core FFO per common share - diluted | \$ 2.75 | \$ 2.74 | \$ 8.40 | \$ 8.21 |

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS



- (1) Amounts consist primarily of net unrealized gains on property technology investments.
- (2) Changes are the expected credit losses associated with the Company's lending commitments primarily under its SIP. The timing and amount of any actual losses that will be incurred, if any, is to be determined.
- (3) Amount for YTD 2025 includes a write-off of \$3,668 for one development opportunity that the Company determined is no longer probable.
- (4) Amounts for Q3 and YTD 2025 consists primarily of gains on sale of non-operating real estate and the gain on the sale of a development right. Amounts for Q3 and YTD 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.

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.

Like-Term Effective Rent Change for an individual apartment home represents the percentage change in effective rent between two leases of the same lease term category for the same apartment. The Company defines effective rent as the contractual rent for an apartment less amortized concessions and discounts. Like-Term Effective Rent Change with respect to multiple apartment homes represents an average. New Move-In Like-Term Effective Rent Change is the change in effective rent between the contractual rent for a resident who moves out of an apartment, and the contractual rent for a resident who moves into the same apartment with the same lease term category. Renewal Like-Term Effective Rent Change is the change in effective rent between two consecutive leases of the same lease term category for the same resident occupying the same apartment.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS



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, 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.

Market Cap Rate is defined by the Company as Projected NOI of a single community for the first 12 months of operations (assuming no repositioning), less an estimate of typical capital expenditure allowance per apartment home, divided by the gross sales price for the community. Projected NOI, as referred to above, represents management's estimate of projected rental revenue minus projected operating expenses before interest, income taxes (if any), depreciation and amortization. For this purpose, management's projection of operating expenses for the community includes a management fee of 2.5% and an estimate of typical market costs for insurance, payroll and other operating expenses for which the Company may have proprietary advantages not available to a typical buyer. The Market Cap Rate, which may be determined in a different manner by others, is a measure frequently used in the real estate industry when determining the appropriate purchase price for a property or estimating the value for a property. Buyers may assign different Market Cap Rates to different communities when determining the appropriate value because they (i) may project different rates of change in operating expenses and capital expenditure estimates and (ii) may project different rates of change in future rental revenue due to different estimates for changes in rent and occupancy levels. The weighted average Market Cap Rate is weighted based on the gross sales price of each community.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS



Match-Funded (Development Underway) is calculated by the Company as the sum of (i) Total Capital Cost, disbursed through 9/30/25 for all wholly-owned Development communities that had not achieved Stabilized Operations for the entire three month period ended September 30, 2025, (ii) cash and cash equivalents, (iii) unsettled forward equity contracts, and (iv) Q3 2025 cash from operations available for investment, annualized divided by the Total Capital Cost, under construction for all wholly-owned Development communities that had not achieved Stabilized Operations for the entire three month period ended September 30, 2025. A calculation of Match-funded (Development Underway) is as follows (dollars in millions):

| | Q3 2025 |
|---|-----------------|
| Total Capital Cost, disbursed to date | \$ 2,092 |
| Cash and cash equivalents | 123 |
| Unsettled Forward Equity Activity | 889 |
| Q3 2025 cash from operations available for investment, annualized | 393 |
| Total | \$ 3,498 |
| | |
| Total Capital Cost, under construction and completed | \$ 3,666 |
| | |
| Match-funded (Development underway) | 95% |

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS



Projected FFO and Projected Core FFO, as provided within this presentation in the Company's outlook, are calculated on a basis consistent with historical FFO and Core FFO, and are therefore considered to be appropriate supplemental measures to projected net income from projected operating performance. A reconciliation of the ranges provided for Projected FFO per share (diluted) for the fourth quarter and full year 2025 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) - Q4 2025 | \$ 1.18 | \$ 1.28 |
| Depreciation (real estate related) | 1.58 | 1.58 |
| Projected FFO per share (diluted) - Q4 2025 | 2.76 | 2.86 |
| Expensed transaction, development and other pursuit costs, net of recoveries | 0.01 | 0.01 |
| Legal settlements and costs | 0.02 | 0.02 |
| Severance related costs | 0.01 | 0.01 |
| Projected Core FFO per share (diluted) - Q4 2025 | \$ 2.80 | \$ 2.90 |
| | | |
| Projected EPS (diluted) - Full Year 2025 | \$ 7.35 | \$ 7.55 |
| Depreciation (real estate related) | 6.30 | 6.30 |
| Gain on sale of communities | (2.35) | (2.35) |
| Casualty loss on real estate | 0.01 | 0.01 |
| Projected FFO per share (diluted) - Full Year 2025 | 11.31 | 11.51 |
| Unconsolidated entity losses, net | (0.28) | (0.28) |
| Expensed transaction, development and other pursuit costs, net of recoveries | 0.01 | 0.01 |
| Legal settlements and costs | 0.05 | 0.05 |
| Other real estate activity | 0.09 | 0.09 |
| Other | (0.03) | (0.03) |
| Projected Core FFO per share (diluted) - Full Year 2025 | \$ 11.15 | \$ 11.35 |

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS



Projected NOI, as used within this presentation for certain Development communities and in calculating the Market Cap Rate for dispositions, represents management's estimate, as of the date of this presentation (or as of the date of the buyer's valuation in the case of dispositions), of projected stabilized rental revenue minus projected stabilized operating expenses. For Development communities, Projected NOI is calculated based on the first twelve months of Stabilized Operations following the completion of construction. In calculating the Market Cap Rate, Projected NOI for dispositions is calculated for the first twelve months following the date of the buyer's valuation. Projected stabilized rental revenue represents management's estimate of projected gross potential minus projected stabilized economic vacancy and adjusted for projected stabilized concessions plus projected stabilized other rental revenue. Projected stabilized operating expenses do not include interest, income taxes (if any), depreciation or amortization, or any allocation of corporate-level property management overhead or general and administrative costs. In addition, projected stabilized operating expenses for Development communities do not include property management fee expense. Projected gross potential for Development communities and dispositions is generally based on leased rents for occupied homes and management's best estimate of rental levels for homes which are currently unleased, as well as those homes which will become available for lease during the twelve-month forward period used to develop Projected NOI. The weighted average Projected NOI as a percentage of Total Capital Cost is weighted based on the Company's share of the Total Capital Cost of each community, based on its percentage ownership.

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.

Q3 2025 cash from operations available for investment, annualized is the Company's third quarter 2025 Core FFO, less (i) third quarter 2025 dividends declared – common shares and DownREIT units and (ii) third quarter 2025 Asset Preservation Capex, annualized. Q3 2025 cash from operations available for investment, annualized does not represent the Company's Net cash provided by operating activities as presented in the Company's consolidated financial statements. A reconciliation of Q3 2025 cash from operations available for investment, annualized to Core FFO is as follows (dollars in thousands):

| | Q3 2025 |
|---|--------------------|
| Core FFO attributable to common stockholders | \$ 394,193 |
| Dividends declared - common shares and DownREIT units | (250,082) |
| Established and Other Stabilized Asset Preservation Capex | (45,800) |
| Q3 2025 cash from operations available for investment | \$ 98,311 |
| Q3 2025 cash from operations available for investment, annualized | <u>\$ 393,244</u> |

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS



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 2024 operating results, Same Store is composed of consolidated communities that have Stabilized Operations as of January 1, 2023, 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.

Sunbelt Regions include Austin, Albuquerque, Atlanta, Charlotte, Dallas-Fort Worth, El Paso, Ft. Lauderdale, Gainesville, Huntsville, Houston, Jacksonville, Louisville, Lubbock, Memphis, Miami, Mobile, Myrtle Beach, Naples, Nashville, New Orleans, Oklahoma City, Orlando, Phoenix, Raleigh-Durham, Reno, San Antonio, Savannah, Tampa, Tucson, Tulsa, and West Palm Beach.

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.

Urban (locations) are defined as submarkets having 3,500 or more households per square mile.

