

AVALONBAY COMMUNITIES INC  
Form 10-Q  
November 05, 2013  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

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

For the quarterly period ended September 30, 2013

Commission file number 1-12672

**AVALONBAY COMMUNITIES, INC.**

(Exact name of registrant as specified in its charter)

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**Maryland**  
(State or other jurisdiction of  
incorporation or organization)

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

**Ballston Tower**

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671 N. Glebe Rd, Suite 800

Arlington, Virginia 22203

(Address of principal executive offices, including zip code)

(703) 329-6300

(Registrant's telephone number, including area code)

(Former name, if changed since last report)

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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 twelve (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 ninety (90) days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date:

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129,413,103 shares of common stock, par value \$0.01 per share, were outstanding as of October 31, 2013

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## AVALONBAY COMMUNITIES, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except per share data)

	9-30-13 (unaudited)	12-31-12
<b>ASSETS</b>		
Real estate:		
Land	\$ 3,302,403	\$ 1,424,797
Buildings and improvements	11,116,909	6,934,099
Furniture, fixtures and equipment	333,638	251,537
	14,752,950	8,610,433
Less accumulated depreciation	(2,445,294)	(1,988,764)
Net operating real estate	12,307,656	6,621,669
Construction in progress, including land	1,418,836	802,857
Land held for development	282,285	316,037
Operating real estate assets held for sale, net	275,874	274,556
Total real estate, net	14,284,651	8,015,119
Cash and cash equivalents	112,910	2,733,618
Cash in escrow	98,429	49,950
Resident security deposits	27,868	24,748
Investments in unconsolidated real estate entities	347,386	129,352
Deferred financing costs, net	39,085	38,700
Deferred development costs	33,799	24,665
Prepaid expenses and other assets	200,979	143,926
Total assets	\$ 15,145,107	\$ 11,160,078
<b>LIABILITIES AND EQUITY</b>		
Unsecured notes, net	\$ 2,245,191	\$ 1,945,798
Variable rate unsecured credit facility		
Mortgage notes payable	3,852,441	1,905,235
Dividends payable	138,459	110,966
Payables for construction	84,027	52,903
Accrued expenses and other liabilities	254,144	217,259
Accrued interest payable	23,965	33,056
Resident security deposits	47,020	37,691
Liabilities related to real estate assets held for sale	8,275	9,350
Total liabilities	6,653,522	4,312,258
Redeemable noncontrolling interests	18,255	7,027
<b>Equity:</b>		
Preferred stock, \$0.01 par value; \$25 liquidation preference; 50,000,000 shares authorized at both September 30, 2013 and December 31, 2012; zero shares issued and outstanding at September 30, 2013 and December 31, 2012, respectively		
Common stock, \$0.01 par value; 280,000,000 shares authorized at September 30, 2013 and 140,000,000 shares authorized at December 31, 2012; 129,402,556 and 114,403,472 shares issued and outstanding at September 30, 2013 and December 31, 2012, respectively	1,294	1,144
Additional paid-in capital	8,976,780	7,086,407
Accumulated earnings less dividends	(458,229)	(142,329)
Accumulated other comprehensive loss	(50,094)	(108,007)

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Total equity	8,469,751	6,837,215
Noncontrolling interest	3,579	3,578
Total equity	8,473,330	6,840,793
Total liabilities and equity	\$ 15,145,107	\$ 11,160,078

See accompanying notes to Condensed Consolidated Financial Statements.

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AVALONBAY COMMUNITIES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF  
COMPREHENSIVE INCOME

(unaudited)

(Dollars in thousands, except per share data)

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>9-30-13</b>	<b>9-30-12</b>	<b>9-30-13</b>	<b>9-30-12</b>
<b>Revenue:</b>				
Rental and other income	\$ 390,113	\$ 258,788	\$ 1,072,273	