

## AvalonBay Communities (AVB)

**\$179.50** (Stock Price as of 01/07/2026)

Price Target (6-12 Months): **\$186.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**  
(Since: 04/13/21)  
Prior Recommendation: Underperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**  
Zacks Style Scores: VGM: D  
Value: D | Growth: D | Momentum: C

### Summary

AvalonBay is well-positioned to gain from healthy renter demand for its residential properties in the high barrier-to-entry regions of the United States, as favorable demographic trends and rising home ownership costs are likely to keep driving demand. Moreover, the company's efforts to leverage technology and scale to drive margin expansion and operational efficiency seem encouraging. Strategic buyouts and development projects augur well for long-term growth. A healthy balance sheet position aids financial flexibility. We expect 2025 total revenues to grow 4.8% year over year. However, an elevated supply of rental units in some markets and competition from peers curb pricing power, impeding the rent growth momentum. High interest expenses add to its woes. We estimate 2025 interest expenses to increase 10.3% year over year.

### Data Overview

52 Week High-Low	\$230.21 - \$166.73
20 Day Average Volume (sh)	899,034
Market Cap	\$25.4 B
YTD Price Change	-1.0%
Beta	0.75
Dividend / Div Yld	\$7.00 / 3.8%
Industry	<a href="#">REIT and Equity Trust - Residential</a>
Zacks Industry Rank	Bottom 31% (168 out of 244)

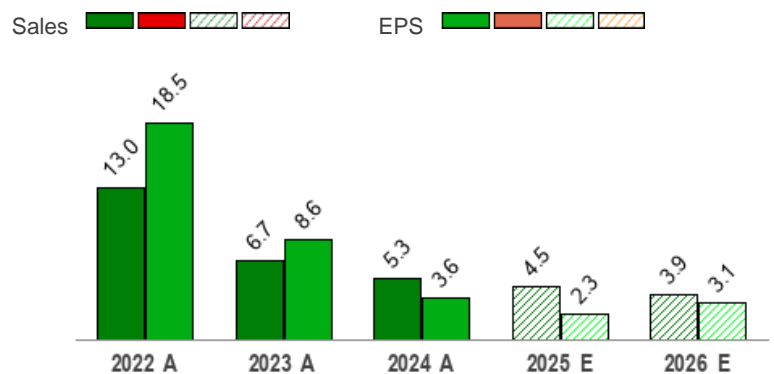
Last EPS Surprise	-2.1%
Last Sales Surprise	-0.4%
EPS F1 Est- 4 week change	0.1%
Expected Report Date	02/04/2026
Earnings ESP	0.0%

P/E TTM	16.0
P/E F1	15.9
PEG F1	5.9
P/S TTM	8.4

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



### Sales Estimates (millions of \$)<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	781 E	786 E	798 E	799 E	3,165 E
2025	746 A	760 A	767 A	773 E	3,046 E
2024	713 A	726 A	734 A	741 A	2,914 A

### EPS Estimates<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	2.86 E	2.90 E	2.87 E	2.98 E	11.61 E
2025	2.83 A	2.82 A	2.75 A	2.86 E	11.26 E
2024	2.70 A	2.77 A	2.74 A	2.80 A	11.01 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/07/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/17/2025.

## Overview

AvalonBay Communities, Inc. is a real estate investment trust (REIT) focusing on developing, redeveloping, acquiring, owning and operating of multi-family apartment communities for higher-income clients in high barrier-to-entry regions of the United States, which generally command the highest rents in the markets. It is an S&P 500 Index member.

These markets include New England, the New York/New Jersey metro area, Mid-Atlantic, Pacific Northwest, and Northern and Southern California. The company is also tracking opportunities in the newly expanded markets of Raleigh-Durham and Charlotte, NC; Southeast Florida; Dallas and Austin, TX, and Denver, CO.

The company focuses on metropolitan areas historically experiencing rising employment in high-wage sectors of the economy, along with high home ownership costs and a vibrant quality of life. The company has a principal executive office in Arlington, VA, and a number of regional offices, administrative offices or specialty offices in its markets.

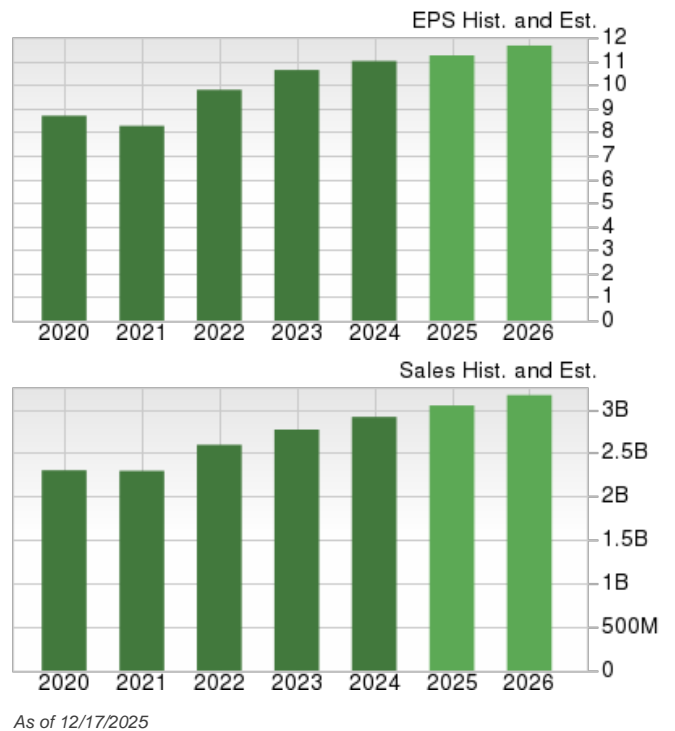
As of Sept. 30, 2025, AvalonBay owned or held direct or indirect ownership stakes in 314 apartment communities, which included 97,219 apartment homes in 11 states and the District of Columbia.

As of Sept. 30, 2025, out of the total owned communities, AvalonBay had 21 wholly owned communities under construction, comprising around 7,806 apartment homes and 100,000 square feet of commercial space. The estimated total capital cost at completion is \$3.01 billion.

AvalonBay is actively restructuring its portfolio. In the third quarter, the company acquired three wholly owned communities, containing 584 apartment homes for a purchase price of around \$187 million. Additionally, the company acquired its joint venture partner's 50% interest in Avalon Alderwood Place for \$71.3 million.

In the third quarter, AVB sold six wholly owned communities containing 1,594 apartment homes and 20,000 square feet of commercial space for \$585.1 million.

*Note: All EPS numbers presented in this report represent funds from operations (FFO) per share. FFO, a widely used metric to gauge the performance of REITs, is obtained after adding depreciation and amortization and other non-cash expenses to net income.*



## Reasons To Buy:

- ▲ AvalonBay has high-quality assets located in some of the premium markets of the country, which enable the company to generate steady rental revenues. It mainly focuses on adding properties in the leading metropolitan areas where the market is characterized by growing employment in high-wage sectors of the economy, higher homeownership costs and diverse and vibrant quality of life. This offers AvalonBay an edge for generating superior long-term risk-adjusted returns on apartment community investments over the other markets that lack such characteristics. Moreover, limited single-family home inventory is making the transition from renter to homeowner difficult in its markets and renting apartment units is a viable option. Its portfolio is well diversified with its same-store portfolio, comprising a decent number of both suburban and urban assets. It is also making concerted efforts to expand its portfolio in the suburban markets. Hence, with these factors in place, AvalonBay remains well-positioned for growth. In 2025, management expects same-store residential revenues to grow 2.5% at the midpoint year over year. We expect year-over-year growth of 2.4% in the company's same-store revenues in 2025.
- ▲ Demographic growth also continues to be strong in the young-adult age cohort, which has a higher propensity to rent. People in the age bracket of 20-34 are the main cohort for the formation of new households and a majority of them prefer to remain renters and enjoy the locational advantages and flexibility that rental apartments offer.
- ▲ To enhance its overall portfolio quality, AvalonBay has carried out several strategic acquisitions over the years. It is also disposing of non-core assets for capital recycling. In the first nine months of 2025, the company acquired 11 communities comprising 3,285 apartment units for a total consideration of \$805.5 million. AvalonBay expects its current 76% suburban submarket allocation to achieve the 80% target, while the current 13% expansion region allocation to reach a target of 25%. In the first nine months of 2025, AvalonBay disposed of nine wholly owned communities consisting of 2,102 apartment units for \$811.7 million. Such efforts are likely to ease the burden on its balance sheet and bolster the company's external growth in the upcoming period.
- ▲ AvalonBay's growth over the intermediate term is likely to be further supported by the increased development deliveries. During the third quarter, the company completed the development of Avalon Annapolis, located in Annapolis, MD. Avalon Annapolis contains 508 apartment homes and was constructed for a total capital cost of \$195 million. In the third quarter of 2025, the company began developing two apartment communities with an aggregate of 1,015 apartment units and an estimated capital cost at completion of \$434 million. In 2025, management is planning development starts of around \$1.7 billion. In the next few years, the developments underway are expected to deliver meaningful incremental net operating income (NOI) upon completion and stabilization and are expected to fuel FFO and net asset value growth. We estimate 2025 same-store NOI to increase 1.9% year over year.
- ▲ AvalonBay is leveraging technology, scale and organizational capabilities to drive margin expansion in its portfolio. It is focusing on self-serve digital experiences to provide a seamless, personalized customer experience. Such efforts are likely to bring about operational efficiency and reduce costs, aiding NOI growth. With innovative efforts and transformative moves, the company has delivered \$39 million in annual incremental NOI through year-end 2024 and is estimating another \$9 million in 2025, advancing toward the \$80 million target.
- ▲ In April 2022, AvalonBay launched an investment vehicle called the Structured Investment Program, or SIP. It is a mezzanine lending platform providing short-term construction financing to local third-party developers in the company's established regions and even Denver and Florida. The SIP enables the company to take advantage of its expertise in development, construction and operations to generate high-risk-adjusted returns for its shareholders and aid earnings growth. As of Sept. 30, 2025, AvalonBay had nine commitments to fund either mezzanine loans or preferred equity investments of up to \$239.6 million in total under the SIP. As of the same date, it had funded around \$206.9 million of these commitments.
- ▲ AvalonBay has a healthy balance sheet with ample liquidity, positioning it well to capitalize on long-term growth opportunities. As of Sept. 30, 2025, the company had \$123.3 million in unrestricted cash and cash equivalents. As of the same date, AvalonBay did not have any borrowings outstanding under its \$2.25 billion unsecured credit facility. The company has a well-laddered debt maturity schedule with a weighted average year-to-maturity of 6.7 years. In the third quarter of 2025, its annualized net debt-to-core EBITDA was 4.5 times and unencumbered NOI was 95%, providing scope for tapping additional secured debt capital if required. Moreover, balance sheet flexibility is preserved for future opportunities, with around 95% match-funded on current development underway in the third quarter of 2025. The investment-grade credit ratings of 'A3' from Moody's and 'A-' from S&P render it access to the debt market at favorable costs.
- ▲ Solid dividend payouts are arguably the biggest enticement for REIT investors, and AvalonBay has consistently paid dividends each year since it went public in 1994. In February 2025, concurrent with its fourth-quarter earnings release, AvalonBay increased its first-quarter 2025 dividend to \$1.75 per share from \$1.70 paid in the prior quarter. This represented a hike of 2.9% from the prior payout. Moreover, backed by healthy operating fundamentals, we expect core FFO to increase 2.8% year over year in 2025 and 3.5% in 2026. Hence, with a solid financial position and our FFO growth projections, we expect the dividend rate to be sustainable in the coming years.

AvalonBay is poised to benefit from high quality assets in premium markets and portfolio diversification. It has a healthy balance sheet and is leveraging technology and scale to drive margins.

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## Reasons To Sell:

- ▼ The struggle to lure renters is likely to persist, as supply volume remains elevated in a few markets where the company operates. Moreover, with lower-than-expected job growth and inflationary pressures, the company is witnessing revenue moderation and higher operating costs in the second half of 2025, impacting its growth prospects.
- ▼ AvalonBay faces competition from other housing alternatives, such as rental apartments, condominiums and single-family homes. Such a competitive landscape limits the company's ability to increase rent, restricting its growth momentum to a certain extent.
- ▼ AvalonBay has a substantial debt burden, and its total debt was approximately \$8.78 billion as of Sept. 30, 2025. With a high level of debt, interest expenses are likely to remain elevated. Interest expenses increased 17.3% year over year to \$65.4 million in the third quarter of 2025. For 2025, interest expenses are expected to rise 10.3% year over year.

**High rental unit supply, macroeconomic headwinds and competition from peers raise concerns for AvalonBay. High interest expenses add to the company's woes.**

## Last Earnings Report

### AvalonBay Q3 FFO & Revenues Miss Estimates, '25 Outlook Lowered

AvalonBay reported a third-quarter 2025 core FFO per share of \$2.75, missing the Zacks Consensus Estimate of \$2.81. However, the figure increased marginally from the prior-year quarter's tally of \$2.74.

The residential REIT lowered its 2025 core FFO per share, same-store residential revenue and NOI growth outlook following the Q3 core FFO per share and revenue miss. However, a marginal rise in occupancy year over year supported the results to some extent.

Total revenues in the quarter came in at \$766.8 million, missing the Zacks Consensus Estimate of \$769.9 million. However, the figure increased 4.4% on a year-over-year basis.

#### Quarter in Detail

In the reported quarter, same-store residential revenues increased 2.3% year over year to \$685.4 million. Same-store residential operating expenses rose 4.6% to \$224.3 million. As a result, the same-store residential NOI climbed 1.1% to \$461 million.

Same-store average revenue per occupied home rose to \$3,087 in the third quarter, up 2.2% from \$3,022 in the year-ago period. Same-store economic occupancy of 95.7% jumped 10 basis points year over year. It was below our estimate of 96.3%.

However, interest expenses increased 17.3% year over year to \$65.4 million. It also exceeded our estimate of \$63.5 million.

#### Portfolio Activity

During the third quarter, the company acquired three wholly-owned communities, containing 584 apartment homes for a purchase price of approximately \$186.95 million. The three communities are located in Charlotte, NC, Coconut Creek, FL, and Redmond, WA.

Additionally, the company acquired its joint venture partner's 50% interest in Avalon Alderwood Place for \$71.25 million.

During the reported quarter, AvalonBaysold six wholly-owned communities containing 1,594 apartment homes and 20,000 square feet of commercial space, for \$585.08 million.

During the third quarter, the company completed the development of Avalon Annapolis, located in Annapolis, MD. Avalon Annapolis contains 508 apartment homes and was constructed for a total capital cost of \$195 million.

As of Sept. 30, 2025, AvalonBay had 21 wholly owned development communities under construction (expected to contain 7,806 apartment homes and 100,000 square feet of commercial space). The estimated total capital cost of these development communities at completion is \$3.01 billion.

#### Balance Sheet

AvalonBay had \$123.3 million in unrestricted cash and cash equivalents as of Sept. 30, 2025. As of the same date, the company did not have any borrowings outstanding under its credit facility. It had outstanding borrowings of nearly \$235 million under its unsecured commercial paper program.

Additionally, its annualized net debt-to-core EBITDAre for the July-September period was 4.5 times, and the unencumbered NOI for the nine months ended Sept. 30, 2025 was 95%.

**FY Quarter Ending** **12/31/2025**

Earnings Reporting Date	Oct 29, 2025
Sales Surprise	-0.40%
EPS Surprise	-2.14%
Quarterly EPS	2.75
Annual EPS (TTM)	11.20

## Recent News

### AvalonBay Trims '25 Outlook as Rent Trends Cool & Operating Costs Rise – Dec. 8, 2025

AvalonBay provided an operating update highlighting key capital markets activity through Dec. 5, 2025. The company lowered its core FFO per share growth outlook to 2.2% from the prior guided 3.5%. The same-store residential NOI growth has also been reduced to 2% from the earlier 2.7% owing to lower revenue growth of 2.5% and higher expense growth of 3.8%.

The above outlook has been triggered by lower-than-expected job growth, leading to revenue moderation in the late third quarter of 2025 and into October. The company is witnessing higher operating costs in the second half of 2025.

The company pointed out that its same-store revenues started to moderate in August, with trends becoming more vivid in September and October. Softening occupancy, lower like-term effective rent change driven primarily by new move-in rent change and bad debt improvement at a pace modestly below the prior forecast, were the factors contributing to the same. The Mid-Atlantic and Southern California led the way to the majority reduction in revenue growth expectations, followed by expansion regions.

On the positive note, the company emphasized that its established regions are set to benefit from the record-low levels of new supply in 2026. The residential REIT's \$3.6 billion development underway is likely to provide meaningful value creation upon stabilization.

Due to the strength of its balance sheet, the company could carry over its recent \$400 million debt offering, \$488 million share repurchases and \$340 million dispositions under agreement set to close in the first quarter of 2026. AvalonBay also iterated that its 2025 transaction activity reflects an increase in its suburban and expansion regions, fulfilling its portfolio allocation objectives.

### Dividend Update

On Nov. 19, AvalonBay declared its fourth-quarter 2025 dividend of \$1.75 per share. The dividend will be paid out on Jan. 15, 2026 to shareholders on record as of Dec. 31, 2025.

## Valuation

AvalonBay's shares have declined 19.5% over the trailing 12-month period. While stocks in the Zacks sub-industry have decreased 11.7%, those in the Zacks Finance sector have increased 18.8% over the same period.

The S&P 500 Index is up 18.1% over the trailing 12-month period.

The stock is currently trading at 15.15X forward 12-month FFO, which compares with 14.47X for the Zacks sub-industry, 17.40X for the Zacks sector and 23.30X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 30.97X and as low as 14.68X, with a five-year median of 18.17X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$186.00 price target reflects 15.93X FFO.

The table below shows the summary valuation data for AvalonBay.

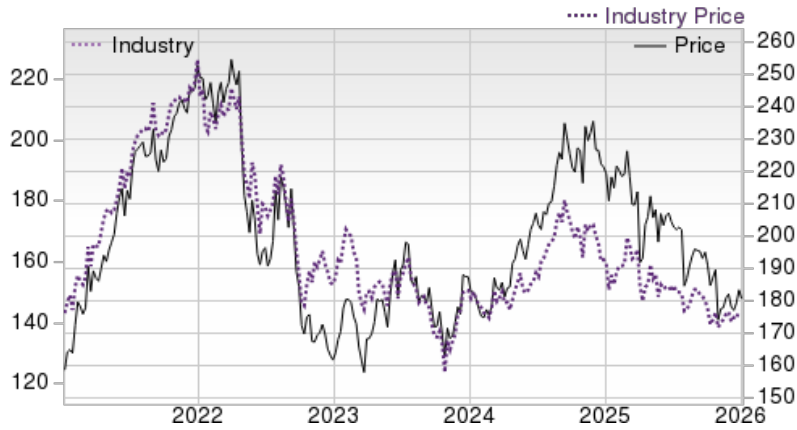
Valuation Multiples - AVB					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	15.15	14.47	17.40	23.30
	5-Year High	30.97	26.61	18.28	23.78
	5-Year Low	14.68	13.75	12.36	15.73
	5-Year Median	18.17	17.06	16.12	21.22
P/S F12M	Current	7.89	7.61	9.08	5.25
	5-Year High	15.57	15.05	10.06	5.50
	5-Year Low	7.77	7.47	6.69	3.83
	5-Year Median	9.75	9.20	8.39	5.05
P/B TTM	Current	2.07	2.44	4.29	8.47
	5-Year High	3.30	4.03	4.37	9.17
	5-Year Low	1.92	2.13	2.87	6.60
	5-Year Median	2.42	2.70	3.52	8.05

As of 12/16/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 31% (168 out of 244)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
American Homes 4 Ren...(AMH)	Neutral	3
Equity Lifestyle Pro...(ELS)	Neutral	2
Equity Residential (EQR)	Neutral	3
Essex Property Trust...(ESS)	Neutral	3
Invitation Home (INVH)	Neutral	3
Mid-America Apartmen...(MAA)	Neutral	4
Sun Communities, Inc...(SUI)	Neutral	3
United Dominion Real...(UDR)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Reit And Equity Trust - Residential

	AVB	X Industry	S&P 500	EQR	ESS	MAA
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	4
VGM Score	D	-	-	C	F	F
Market Cap	25.42 B	1.54 B	40.07 B	23.57 B	16.17 B	15.80 B
# of Analysts	5	3	22	9	8	8
Dividend Yield	3.90%	4.07%	1.38%	4.47%	4.09%	4.49%
Value Score	D	-	-	D	D	D
Cash/Price	0.01	0.02	0.04	0.00	0.00	0.00
EV/EBITDA	15.68	14.65	14.89	13.62	14.14	16.33
PEG Ratio	5.93	3.15	2.04	3.19	5.98	3.84
Price/Book (P/B)	2.10	1.52	3.41	2.09	2.79	2.64
Price/Cash Flow (P/CF)	13.28	12.84	15.44	11.73	12.40	14.42
P/E (F1)	15.94	15.11	18.58	14.98	15.43	15.44
Price/Sales (P/S)	8.43	5.99	3.06	7.65	8.68	7.17
Earnings Yield	6.49%	6.62%	5.38%	6.67%	6.48%	6.48%
Debt/Equity	0.72	0.80	0.57	0.75	1.15	0.87
Cash Flow (\$/share)	13.83	2.16	8.98	5.32	20.69	9.58
Growth Score	D	-	-	D	D	D
Hist. EPS Growth (3-5 yrs)	8.24%	6.14%	8.24%	6.70%	6.36%	8.09%
Proj. EPS Growth (F1/F0)	2.27%	3.26%	9.21%	2.57%	2.37%	-1.69%
Curr. Cash Flow Growth	10.18%	4.02%	7.00%	15.07%	38.32%	-0.41%
Hist. Cash Flow Growth (3-5 yrs)	5.83%	5.93%	7.49%	1.67%	8.11%	5.49%
Current Ratio	0.67	0.50	1.19	0.45	1.18	0.06
Debt/Capital	41.78%	43.56%	38.14%	43.30%	53.56%	46.44%
Net Margin	38.78%	17.15%	12.77%	37.58%	45.46%	25.23%
Return on Equity	9.72%	4.45%	17.03%	10.30%	14.68%	9.14%
Sales/Assets	0.14	0.14	0.53	0.15	0.14	0.19
Proj. Sales Growth (F1/F0)	4.50%	3.23%	5.29%	4.00%	6.20%	0.90%
Momentum Score	C	-	-	A	D	F
Daily Price Chg	1.92%	1.11%	-0.34%	2.45%	1.40%	0.60%
1 Week Price Chg	-1.49%	0.00%	1.10%	-1.68%	-2.01%	0.97%
4 Week Price Chg	4.77%	3.93%	0.50%	3.93%	1.75%	5.87%
12 Week Price Chg	-0.91%	-0.14%	3.75%	0.18%	-1.06%	3.30%
52 Week Price Chg	-13.01%	-7.98%	16.94%	-7.47%	-4.98%	-6.81%
20 Day Average Volume	900,619	620,717	2,431,070	2,012,452	490,211	953,296
(F1) EPS Est 1 week change	-0.04%	0.00%	0.00%	0.00%	-0.02%	-0.34%
(F1) EPS Est 4 week change	0.12%	0.00%	0.00%	0.00%	-0.02%	-0.47%
(F1) EPS Est 12 week change	-2.37%	-0.70%	0.44%	-1.06%	-0.71%	-3.16%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	-0.03%	-0.26%

## Analyst Earnings Model<sup>(2)</sup>

### AvalonBay Communities, Inc. (AVB)

In \$MM, except per share data

	2019A	2020A	2021A	2022A	2023A	2024A	2025E				2026E				2027E	
	FY	FY	FY	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY
FY Ends December 31st	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26
Income Statement																
Rentals & Other Income	\$2,319.7	\$2,297.4	\$2,291.8	\$2,587.1	\$2,760.2	\$2,906.7	\$744.1	\$758.6	\$764.9	\$770.9	\$3,038.5	\$779.5	\$784.7	\$796.2	\$797.1	\$3,157.6
Management, Development & Other Fees	\$5.0	\$3.8	\$3.1	\$6.3	\$7.7	\$7.1	\$1.7	\$1.6	\$1.9	\$1.7	\$6.9	\$1.7	\$1.6	\$1.9	\$1.7	\$7.0
<b>Total Revenues</b>	<b>\$2,324.6</b>	<b>\$2,301.3</b>	<b>\$2,294.9</b>	<b>\$2,593.4</b>	<b>\$2,767.9</b>	<b>\$2,913.8</b>	<b>\$745.9</b>	<b>\$760.2</b>	<b>\$766.8</b>	<b>\$772.6</b>	<b>\$3,045.5</b>	<b>\$781.2</b>	<b>\$786.3</b>	<b>\$798.1</b>	<b>\$798.9</b>	<b>\$3,164.5</b>
Direct Property Operating Expenses excluding Property Taxes	\$427.1	\$448.7	\$469.1	\$509.5	\$551.9	\$576.1	\$149.2	\$151.2	\$164.4	\$152.6	\$617.4	\$156.3	\$154.9	\$166.8	\$153.5	\$631.5
Property Management and Other Indirect Operating Expenses	\$88.0	\$101.3	\$101.7	\$120.6	\$142.0	\$169.7	\$37.8	\$39.7	\$39.1	\$47.8	\$164.4	\$38.2	\$36.6	\$37.6	\$40.8	\$153.2
Property Taxes	\$253.0	\$273.2	\$283.1	\$289.0	\$306.8	\$327.6	\$81.8	\$86.0	\$89.7	\$87.5	\$345.2	\$85.8	\$87.8	\$91.0	\$87.5	\$352.1
<b>Total Property Operating Expenses</b>	<b>\$768.1</b>	<b>\$823.1</b>	<b>\$853.9</b>	<b>\$919.1</b>	<b>\$1,000.7</b>	<b>\$1,073.5</b>	<b>\$268.9</b>	<b>\$277.0</b>	<b>\$293.2</b>	<b>\$288.0</b>	<b>\$1,127.0</b>	<b>\$280.3</b>	<b>\$279.3</b>	<b>\$295.3</b>	<b>\$281.8</b>	<b>\$1,136.8</b>
<b>Property Operating Income</b>					<b>\$1,767.2</b>	<b>\$1,840.3</b>	<b>\$477.0</b>	<b>\$483.2</b>	<b>\$473.6</b>	<b>\$481.3</b>	<b>\$1,915.1</b>	<b>\$500.9</b>	<b>\$506.6</b>	<b>\$502.1</b>	<b>\$516.0</b>	<b>\$2,025.6</b>
Expensed Transaction, Development and Other Pursuit Costs, Net of Recoveries	\$5.0	\$12.4	\$3.2	\$16.6	\$33.5	\$18.3	\$4.7	\$2.5	\$1.4	\$0.7	\$9.4	\$2.0	\$2.0	\$2.0	\$2.0	\$8.2
Interest Expense, Net	\$203.6	\$214.2	\$220.4	\$230.1	\$206.0	\$226.6	\$59.9	\$64.8	\$65.4	\$60.0	\$250.0	\$63.8	\$65.6	\$64.6	\$63.0	\$257.0
Loss on Extinguishment Of Debt, Net	\$0.6	\$9.3	\$17.8	\$1.6	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Depreciation Expense	\$661.6	\$707.3	\$758.6	\$815.0	\$817.0	\$846.9	\$217.9	\$231.7	\$230.4	\$228.8	\$908.8	\$229.2	\$234.9	\$237.2	\$232.7	\$934.0
General and Administrative Expense	\$58.0	\$60.3	\$69.6	\$74.1	\$76.5	\$77.7	\$19.8	\$23.0	\$22.0	\$18.8	\$83.6	\$21.5	\$20.2	\$20.4	\$20.6	\$82.6
Casualty and Impairment Loss	\$0.0	\$0.0	\$3.1	\$0.0	\$9.1	\$2.9	\$0.0	\$0.9	\$0.0	\$0.0	\$0.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Expenses</b>	<b>\$1,696.9</b>	<b>\$1,826.7</b>	<b>\$1,926.7</b>	<b>\$2,056.4</b>	<b>\$2,143.0</b>	<b>\$2,245.9</b>	<b>\$571.1</b>	<b>\$599.9</b>	<b>\$612.4</b>	<b>\$596.2</b>	<b>\$2,379.7</b>	<b>\$596.7</b>	<b>\$602.1</b>	<b>\$619.6</b>	<b>\$600.2</b>	<b>\$2,418.6</b>
Income (Loss) from Investments	\$8.7	\$6.4	\$38.6	\$53.4	\$13.5	\$50.7	\$5.1	\$5.9	\$49.3	\$5.0	\$65.3	\$5.0	\$5.0	\$5.0	\$5.0	\$20.1
Gain on sale of Communities	\$166.1	\$340.4	\$602.2	\$555.6	\$287.4	\$363.3	\$56.5	\$99.5	\$180.2	\$0.0	\$336.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Gain on Other Real Estate Transactions, Net	\$0.4	\$0.4	\$2.1	\$5.1	\$0.2	\$0.8	\$0.2	\$3.6	\$0.1	\$0.0	\$3.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net for-Sale Condominium Activity	(\$3.8)	\$2.6	(\$1.0)	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>EBITDA</b>	<b>\$1,664.9</b>	<b>\$1,755.3</b>	<b>\$2,010.1</b>	<b>\$2,199.3</b>	<b>\$1,994.8</b>	<b>\$2,182.2</b>	<b>\$517.1</b>	<b>\$568.1</b>	<b>\$682.5</b>	<b>\$469.5</b>	<b>\$2,237.2</b>	<b>\$485.2</b>	<b>\$492.2</b>	<b>\$487.4</b>	<b>\$501.1</b>	<b>\$1,965.9</b>
<b>Pre-Tax Income</b>	<b>\$799.1</b>	<b>\$824.5</b>	<b>\$1,010.1</b>	<b>\$1,151.1</b>	<b>\$938.6</b>	<b>\$1,082.6</b>	<b>\$236.5</b>	<b>\$269.3</b>	<b>\$384.0</b>	<b>\$178.0</b>	<b>\$1,067.8</b>	<b>\$189.5</b>	<b>\$188.9</b>	<b>\$182.9</b>	<b>\$202.6</b>	<b>\$763.9</b>
Income Tax	\$13.0	(\$3.2)	\$5.7	\$14.6	\$10.2	\$0.4	(\$0.1)	(\$0.5)	(\$0.2)	(\$0.1)	(\$0.9)	(\$0.2)	(\$0.2)	(\$0.2)	(\$0.2)	(\$0.7)
Tax Rate	1.6%	(0.4%)	0.6%	1.3%	1.1%	0.0%	(0.0%)	(0.2%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)
<b>Net Income</b>	<b>\$786.1</b>	<b>\$827.7</b>	<b>\$1,004.4</b>	<b>\$1,136.4</b>	<b>\$928.4</b>	<b>\$1,082.2</b>	<b>\$236.6</b>	<b>\$269.9</b>	<b>\$384.2</b>	<b>\$178.1</b>	<b>\$1,068.7</b>	<b>\$189.7</b>	<b>\$189.1</b>	<b>\$183.0</b>	<b>\$202.8</b>	<b>\$764.6</b>
Non-Controlling Interests	\$0.1	\$0.1	\$0.1	\$0.3	\$0.4	(\$0.2)	\$0.0	(\$1.2)	(\$2.9)	\$0.0	(\$4.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Net Income Attributable to Common Shareholders</b>	<b>\$786.0</b>	<b>\$827.6</b>	<b>\$1,004.3</b>	<b>\$1,136.8</b>	<b>\$928.8</b>	<b>\$1,082.0</b>	<b>\$236.6</b>	<b>\$268.7</b>	<b>\$381.3</b>	<b>\$178.1</b>	<b>\$1,064.7</b>	<b>\$189.7</b>	<b>\$189.1</b>	<b>\$183.0</b>	<b>\$202.8</b>	<b>\$764.6</b>
Diluted Share Outstanding	139.6	140.4	139.7	140.0	141.6	142.5	142.5	143.3	143.5	143.7	143.2	143.7	143.7	143.7	143.7	143.7
<b>Diluted EPS</b>	<b>\$5.63</b>	<b>\$5.89</b>	<b>\$7.19</b>	<b>\$8.12</b>	<b>\$6.56</b>	<b>\$7.60</b>	<b>\$1.66</b>	<b>\$1.88</b>	<b>\$2.68</b>	<b>\$1.24</b>	<b>\$7.46</b>	<b>\$1.32</b>	<b>\$1.32</b>	<b>\$1.27</b>	<b>\$1.41</b>	<b>\$5.32</b>
Dividend per Share	\$6.08	\$6.36	\$6.36	\$6.36	\$6.60	\$6.80	\$1.75	\$1.75	\$1.75	\$1.75	\$7.00	\$1.80	\$1.80	\$1.80	\$1.80	\$7.20
FFO & AFFO																
Funds From Operations	\$1,280.7	\$1,186.4	\$1,135.7	\$1,353.7	\$1,462.3	\$1,564.9	\$396.8	\$401.5	\$432.0	\$405.3	\$1,635.6	\$417.2	\$422.1	\$418.3	\$433.8	\$1,691.3
Core FFO	\$1,303.2	\$1,220.6	\$1,153.5	\$1,370.0	\$1,505.6	\$1,568.4	\$403.3	\$404.0	\$394.2	\$410.5	\$1,612.0	\$411.3	\$416.3	\$412.4	\$427.9	\$1,667.8
FFO Per Share	\$8.45	\$8.45	\$8.13	\$9.67	\$10.32	\$10.98	\$2.78	\$2.80	\$3.01	\$2.82	\$11.41	\$2.90	\$2.94	\$2.91	\$3.02	\$11.77
Core FFO Per Share	\$9.34	\$8.69	\$8.26	\$9.79	\$10.63	\$11.01	\$2.83	\$2.82	\$2.75	\$2.86	\$11.26	\$2.86	\$2.90	\$2.87	\$2.98	\$11.61



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## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	D
Growth Score	D
Momentum Score	C
VGM Score	D

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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