LOCATION

AVA Queen Anne

Puget Sound

Lake Union

Amazon

Gates Foundation

Avalon Queen Anne

AVA Queen Anne

AvalonBay COMMUNITIES, INC.
EXECUTIVE SUMMARY

- Tied up the site in June 2006 (top of the market)
- Started construction in July 2010
- 43,000 sf site zoned NC3-65
- 203 units in a seven story wood framed building with underground parking garage
- Average unit size of 818 sf
- 24% studios, 54% one bedrooms, 18% two bedrooms, 4% live/work units
- 4,700 sf of ground floor retail space
- First new development within AvalonBay to implement the AVA Brand, which caters specifically to the Generation Y Renter
Challenges

- Global Recession (2006 = tied up)
- Site Geometry
  - 360’ x 115’ with 35’ of elevation change from north to south
  - Tight site with existing office buildings as neighbors
- Change in building code
- Introduction of “Green Factor” city ordinance
- Potential historic connotations for existing building
- Environmental contamination
- Implementation of a new corporate brand
- Bridge construction outside our front door
Design Concept
Design Concept
Site Plan

STREET LEVEL PLAN (LEVEL 1-4)
Demolition
Perception vs. Reality
Leasing Performance

• Turned first units in November 2011 and stabilized June 2012

• Averaged 29 unit absorption per month with rents 13% above proforma
Green Building

- AVA Queen Anne is seeking LEED Silver Certification
- Over 20% of building materials were generated from recycled content
- Multiple electric car charging stations
- The rooftop deck includes a green roof system that collects and filters rain water which is then used for irrigation throughout the property
- Ample bike storage
- AVA Queen Anne is seeking BUILT SMART Certification from the City of Seattle
- The community has sustainable lighting techniques to reduce energy consumption
- Recycling chutes located throughout the community
- The apartments include ENERGY STAR appliances, Low VOC Paint, and sustainable plumbing fixtures and HVAC equipment
# Numbers

<table>
<thead>
<tr>
<th></th>
<th>2006 (tied up)</th>
<th>2010 (start construction)</th>
<th>2012 (stabilized)</th>
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</thead>
<tbody>
<tr>
<td>Total Cap $</td>
<td>$62.8M</td>
<td>$56.7M</td>
<td>$54.5M</td>
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<tr>
<td>Per Unit</td>
<td>$312,000</td>
<td>$278,000</td>
<td>$268,000</td>
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<tr>
<td>Avg. Rent</td>
<td>$2.22/sf</td>
<td>$2.00/sf</td>
<td>$2.26/sf</td>
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<tr>
<td>Yield</td>
<td>Low 6%</td>
<td>High 6%</td>
<td>High 7%</td>
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