

AVALONBAY COMMUNITIES INC

Form 10-Q

May 04, 2015

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 March 31, 2015

Commission file number 1-12672

AVALONBAY COMMUNITIES, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

77-0404318

(I.R.S. Employer
Identification No.)

Ballston Tower

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)

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

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

Accelerated filer

Smaller reporting company

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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:

132,188,431 shares of common stock, par value \$0.01 per share, were outstanding as of April 30, 2015

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AVALONBAY COMMUNITIES, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Dollars in thousands, except per share data)

	3/31/2015 (unaudited)	12/31/2014
ASSETS		
Real estate:		
Land and improvements	\$3,489,749	\$3,446,843
Buildings and improvements	12,414,349	12,275,850
Furniture, fixtures and equipment	413,793	403,393
	16,317,891	16,126,086
Less accumulated depreciation	(2,989,899)	(2,890,530)
Net operating real estate	13,327,992	13,235,556
Construction in progress, including land	1,460,226	1,417,246
Land held for development	536,538	180,516
Operating real estate assets held for sale, net	59,596	102,422
Total real estate, net	15,384,352	14,935,740
Cash and cash equivalents	194,928	508,276
Cash in escrow	102,788	95,625
Resident security deposits	29,514	29,563
Investments in unconsolidated real estate entities	262,050	298,315
Deferred financing costs, net	38,818	39,728
Deferred development costs	23,896	67,029
Prepaid expenses and other assets	227,402	202,447
Total assets	\$16,263,748	\$16,176,723
LIABILITIES AND EQUITY		
Unsecured notes, net	\$3,043,509	\$2,993,265
Variable rate unsecured credit facility	—	—
Mortgage notes payable	3,518,822	3,532,587
Dividends payable	165,241	153,207
Payables for construction	94,131	101,930
Accrued expenses and other liabilities	249,682	244,017
Accrued interest payable	32,937	41,318
Resident security deposits	50,673	49,449
Liabilities related to real estate assets held for sale	733	1,780
Total liabilities	7,155,728	7,117,553
Redeemable noncontrolling interests	10,508	12,765
Equity:		
Preferred stock, \$0.01 par value; \$25 liquidation preference; 50,000,000 shares authorized at March 31, 2015 and December 31, 2014; zero shares issued and outstanding at March 31, 2015 and December 31, 2014	—	—
Common stock, \$0.01 par value; 280,000,000 shares authorized at March 31, 2015 and December 31, 2014; 132,189,626 and 132,050,382 shares issued and outstanding	1,322	1,320

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at March 31, 2015 and December 31, 2014, respectively

Additional paid-in capital	9,360,470	9,354,685	
Accumulated earnings less dividends	(223,330) (267,085)
Accumulated other comprehensive loss	(40,950) (42,515)
Total equity	9,097,512	9,046,405	
Total liabilities and equity	\$16,263,748	\$16,176,723	

See accompanying notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME

(unaudited)

(Dollars in thousands, except per share data)

	For the three months ended	
	3/31/2015	3/31/2014
Revenue:		
Rental and other income	\$439,756	\$396,998
Management, development and other fees	2,611	3,077
Total revenue	442,367	400,075
Expenses:		
Operating expenses, excluding property taxes	112,662	98,542
Property taxes	47,177	44,485
Interest expense, net	45,573	42,533
Depreciation expense	116,853	106,367
General and administrative expense	10,598	9,236
Expensed acquisition, development and other pursuit costs, net of recoveries	1,187	715
Casualty and impairment loss	5,788	—
Total expenses	339,838	301,878
Equity in income of unconsolidated real estate entities	34,566	5,223
Gain on sale of land	22	—
Gain on sale of communities	70,936	—
Income from continuing operations	208,053	103,420