

SCHUSTER ALLAN D  
 Form 4  
 January 30, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 SCHUSTER ALLAN D

2. Issuer Name and Ticker or Trading Symbol  
 AVALONBAY COMMUNITIES INC [AVB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 01/27/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)

C/O AVALONBAY COMMUNITIES, INC., 2900 EISENHOWER AVE., SUITE 300

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

ALEXANDRIA, VA 22314

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock, par value \$.01 per share	01/27/2006		M		7,000 A \$ 44.35	20,310.286 (1)	D
Common Stock, par value \$.01 per share	01/27/2006		M		7,000 A \$ 46.36	27,310.286 (1)	D
Common Stock, par	01/27/2006		M		7,000 A \$ 43.14	34,310.286 (1)	D

value \$.01  
per share

Common  
Stock, par  
value \$.01  
per share

01/27/2006

S

21,000 D

\$ 13,310.286  
99.8456 (1) D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Options (Right to Buy)	\$ 44.35	01/27/2006		M	7,000	05/15/2002 05/15/2011	Common Stock	7,000
Stock Options (Right to Buy)	\$ 46.36	01/27/2006		M	7,000	05/14/2003 05/14/2012	Common Stock	7,000
Stock Options (Right to Buy)	\$ 43.14	01/27/2006		M	7,000	05/21/2004 05/21/2013	Common Stock	7,000

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

X

SCHUSTER ALLAN D  
C/O AVALONBAY COMMUNITIES, INC.  
2900 EISENHOWER AVE., SUITE 300  
ALEXANDRIA, VA 22314

## Signatures

By Edward M. Schulman under Power of Attorney dated January 27,  
2000

01/30/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The amount of securities owned following the reported transaction reflects direct ownership of all shares of common stock, including Deferred Stock Units ("Units"), which may be subject to vesting requirements. The Units will convert into common stock when the reporting person ceases to be an employee or director of the issuer. The amount of securities owned following the reported transaction includes 234.264 Units issued in lieu of dividends on the reporting person's Units not previously reported.

(2) The options exercised were included in options granted on May 15, 2001 under the issuer's Stock Option and Incentive Plan.

(3) The number of derivative securities beneficially owned following the reported transaction includes options granted on various dates with varying exercise prices and vesting dates. Following the reported transaction, the reporting person owns no more options that expire on May 15, 2011 with an exercise price of \$44.35.

(4) The options exercised were included in options granted on May 14, 2002 under the issuer's Stock Option and Incentive Plan.

(5) The number of derivative securities beneficially owned following the reported transaction includes options granted on various dates with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds no more options that expire on May 14, 2012 with an exercise price of \$46.36.

(6) The options exercised were granted on May 21, 2003 under the Issuer's Stock Option and Incentive Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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