

SCHUSTER ALLAN D  
 Form 4  
 December 29, 2004

**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)  
 12/28/2004

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	12/28/2004		M		10,000 A \$ 36.125	32,309.368 (1)	D
Common Stock, par value \$.01 per share	12/28/2004		M		10,000 A \$ 36	42,309.368 (1)	D
Common Stock, par	12/28/2004		S		20,000 D \$ 75.0032	22,309.368 (1)	D

value \$.01  
per share

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)	Amount or Number of Shares
Stock Options (Right to Buy)	\$ 36.125	12/28/2004		M	10,000	06/11/1999 06/11/2008	Common Stock	10,000
Stock Options (Right to Buy)	\$ 36	12/28/2004		M	10,000	05/12/2000 05/12/2009	Common Stock	10,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHUSTER ALLAN D C/O AVALONBAY COMMUNITIES, INC. 2900 EISENHOWER AVE., SUITE 300 ALEXANDRIA, VA 22314		X		

## Signatures

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

12/29/2004

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 also includes a total of 251.234 Units issued in lieu of dividends on the issuer's second and third quarter dividend payment dates.

(2) The options exercised were included in options granted on June 11, 1998 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 holds no more options that expire on June 11, 2008 with an exercise price of \$36.125.

(4) The options exercised were included in options granted on May 12, 1999 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 owns no more options that expire on May 12, 2009 with an exercise price of \$36.00.

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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