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For Immediate Release

**AVALONBAY COMMUNITIES ANNOUNCES
 2011 DIVIDEND INCOME TAX TREATMENT**

ARLINGTON, VA (January 17, 2012) – AvalonBay Communities, Inc. (“AvalonBay” or the “Company”) (NYSE: AVB) announced today the final income allocations of the Company’s 2011 dividend distributions on its Common Stock. The final income allocations as they will be reported on Form 1099-DIV are set forth in the following table:

Common Shares (CUSIP #053484101)

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Distribution Per Share</u>	<u>Taxable Ordinary Income (1)</u>	<u>Return of Capital</u>	<u>Capital Gain</u>	<u>Unrecap. Section 1250 Gain</u>
02/16/11	04/01/11	04/15/11	\$0.89250	\$0.30345	\$0.00000	\$0.41948	\$0.16958
05/10/11	06/30/11	07/15/11	0.89250	0.30345	0.00000	0.41948	0.16958
09/14/11	09/30/11	10/17/11	0.89250	0.30345	0.00000	0.41948	0.16958
11/09/11	12/30/11	01/17/12	0.89250	0.30345	0.00000	0.41948	0.16958
Totals			\$3.57000	\$1.21380	\$0.00000	\$1.67790	\$0.67830
			100%	34%	0%	47%	19%

Components may not sum to the totals due to rounding differences. Additionally, the Company did not incur any foreign taxes, and the information above presents final income allocations.

(1) None of the dividends classified as taxable ordinary income represents “qualified dividend income” and, therefore, are not eligible for capital gains rates.

About AvalonBay Communities, Inc.

As of September 30, 2011, the Company owned or held a direct or indirect ownership interest in 199 apartment communities containing 57,426 apartment homes in ten states and the District of Columbia, of which 15 communities were under construction and eight communities were under reconstruction. AvalonBay is in the business of developing, redeveloping, acquiring and managing apartment communities in high barrier-to-entry markets of the United States. More information may be found on the Company’s website at <http://www.avalonbay.com>.