

January 8, 2007



## **AvalonBay Communities to Offer Four Million Shares of Common Stock in Conjunction with the Inclusion into the S&P 500**

ALEXANDRIA, Va.--(BUSINESS WIRE)--

AvalonBay Communities, Inc. (NYSE: AVB) announced today that it has filed with the Securities and Exchange Commission a "universal" shelf registration statement, which became automatically effective upon filing.

The Company also announced today that, in conjunction with the decision by the Standard & Poor's Corporation to include AvalonBay in the S&P 500 Index, the Company intends to issue approximately 4,000,000 shares of its common stock plus an option to purchase up to an additional 600,000 shares to cover over allotments, if any. The Company expects to use the net proceeds from the offering for general corporate purposes.

JPMorgan and Morgan Stanley will act as joint bookrunners for the offering. A prospectus supplement relating to the offering will be filed with the Securities and Exchange Commission. When available, the prospectus supplement and accompanying base prospectus relating to the offering may be obtained from JPMorgan at 4 Chase Metrotech Center, CS Level, Brooklyn, NY 11245 Attention: Chase Distribution & Support Service Northeast Statement Processing, or by calling 1-866-430-0686 or from Morgan Stanley & Co. Incorporated, c/o Prospectus Department, 180 Varick St, New York, NY 10014 or by email at [prospectus@morganstanley.com](mailto:prospectus@morganstanley.com).

A registration statement relating to the common stock has been filed with the Securities and Exchange Commission and has become effective. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the common stock in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any offer or sale will be made only by means of a prospectus supplement, prospectus or authorized free writing prospectus which have or will be filed with the Securities and Exchange Commission.

## About AvalonBay Communities

As of December 31, 2006, AvalonBay Communities, Inc., headquartered in Alexandria, Virginia, owned or held an ownership interest in 167 apartment communities containing 48,294 apartment homes in ten states and the District of Columbia, of which 17 communities were under construction and six communities are 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 on AvalonBay may be found on AvalonBay's Web site at <http://www.avalonbay.com>.

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