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**For Immediate Release**

**AVALONBAY COMMUNITIES ANNOUNCES  
 2005 DIVIDEND INCOME TAX TREATMENT**

**Alexandria, VA (January 10, 2006) - AvalonBay Communities, Inc. (NYSE/PCX: AVB)** announced today the final income allocations of the Company's 2005 dividend distributions on its Common Stock and Preferred Stock. The final income allocations as they will be reported on Form 1099-DIV are set forth in the following tables:

**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>
2/10/2005	4/1/2005	4/15/2005	\$0.7100	\$0.0639	\$0.0000	\$0.5467	\$0.0994
5/10/2005	6/30/2005	7/15/2005	\$0.7100	\$0.0639	\$0.0000	\$0.5467	\$0.0994
9/13/2005	10/3/2005	10/17/2005	\$0.7100	\$0.0639	\$0.0000	\$0.5467	\$0.0994
12/6/2005	12/30/2005	1/17/2006	\$0.7100	\$0.0639	\$0.0000	\$0.5467	\$0.0994
Totals			\$2.8400	\$0.2556	\$0.0000	\$2.1868	\$0.3976
			100%	9%	0%	77%	14%

**Preferred Shares Series H (CUSIP #053484705)**

<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>
12/7/2004	3/1/2005	3/15/2005	\$0.54375	\$0.04894	\$0.00000	\$0.41869	\$0.07613
2/10/2005	6/1/2005	6/15/2005	0.54375	0.04894	0.00000	0.41869	0.07613
5/10/2005	8/31/2005	9/15/2005	0.54375	0.04894	0.00000	0.41869	0.07613
9/13/2005	12/1/2005	12/15/2005	0.54375	0.04894	0.00000	0.41869	0.07613
Totals			\$2.17500	\$0.19576	\$0.00000	\$1.67476	\$0.30452
			100%	9%	0%	77%	14%

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 December 31, 2005, AvalonBay Communities, Inc., headquartered in Alexandria, Virginia, owned or held an ownership interest in 154 apartment communities containing 44,278 apartment homes in ten states and the District of Columbia, of which fourteen communities were under construction and four 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 on AvalonBay may be found on AvalonBay's Web site at <http://www.avalonbay.com>.

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