

January 11, 2008



AvalonBay Communities Announces 2007 Dividend Income Tax Treatment

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

AvalonBay Communities, Inc. (NYSE:AVB) announced today the final income allocations of the Company's 2007 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)

Declaration Date	Record Date	Payable Date	Distribution Per Share	Taxable Ordinary Income (1)
1/29/2007	4/2/2007	4/16/2007	\$0.85000	\$0.29750
5/16/2007	6/29/2007	7/16/2007	0.85000	0.29750
9/19/2007	9/28/2007	10/15/2007	0.85000	0.29750
12/5/2007	12/31/2007	1/15/2008	0.85000	0.29750
Totals			\$3.40000 100%	\$1.19000 35%

Declaration Date	Record Date	Payable Date	Return of Capital	Capital Gain	Unrecap. Section 1250 Gain
1/29/2007	4/2/2007	4/16/2007	\$0.00000	\$0.45900	\$0.09350
5/16/2007	6/29/2007	7/16/2007	0.00000	0.45900	0.09350
9/19/2007	9/28/2007	10/15/2007	0.00000	0.45900	0.09350
12/5/2007	12/31/2007	1/15/2008	0.00000	0.45900	0.09350
Totals			\$0.00000 0%	\$1.83600 54%	\$0.37400 11%

Preferred Shares Series H (CUSIP #053484705)

Declaration Date	Record Date	Payable Date	Distribution Per Share	Taxable Ordinary Income (1)
12/6/2006	3/1/2007	3/15/2007	\$0.54375	\$0.19031
1/29/2007	6/1/2007	6/15/2007	0.54375	0.19031
5/16/2007	8/31/2007	9/17/2007	0.54375	0.19031
9/19/2007	12/3/2007	12/17/2007	0.54375	0.19031
Totals			\$2.17500 100%	\$0.76125 35%

Declaration Date	Record Date	Payable Date	Return of Capital	Capital Gain	Unrecap. Section 1250 Gain
12/6/2006	3/1/2007	3/15/2007	\$0.00000	\$0.29363	\$0.05981
1/29/2007	6/1/2007	6/15/2007	0.00000	0.29363	0.05981
5/16/2007	8/31/2007	9/17/2007	0.00000	0.29363	0.05981
9/19/2007	12/3/2007	12/17/2007	0.00000	0.29363	0.05981
Totals			\$0.00000 0%	\$1.17450 54%	\$0.23925 11%

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, 2007, the Company owned or held a direct or indirect ownership interest in 182 apartment communities containing 51,898 apartment homes in ten states and the District of Columbia, of which 19 communities were under construction and nine 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, an S&P 500 company, may be found on the Company's Web site at <http://www.avalonbay.com>.

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