

September 8, 2009



AvalonBay Communities Commences \$500 Million Medium-Term Notes Offering

ALEXANDRIA, Va.--(BUSINESS WIRE)-- AvalonBay Communities, Inc. (NYSE:AVB) ("AvalonBay") announced today that it had commenced a \$500 million offering of medium-term unsecured notes under its existing shelf registration statement. The offering consists of two separate \$250 million tranches with maturities in 2017 and 2020.

Interest on the 2017 notes and the 2020 notes will be paid semi-annually. These notes are expected to be rated Baa1 by Moody's Investors Service and BBB+ by Standard & Poor's. Settlement is scheduled for September 11, 2009.

AvalonBay intends to use the net proceeds of approximately \$495,800,000, after underwriting discounts and other transaction-related expenses, in part to reduce indebtedness outstanding under AvalonBay's \$1,000,000,000 unsecured variable rate revolving credit facility and in part to finance the repurchase of certain of its outstanding long-term debt securities pursuant to a tender offer announced today. The balance of the proceeds from the offering of the Notes will be used for working capital, capital expenditures and other general corporate purposes, which may include development and redevelopment of apartment communities and repayment and refinancing of other debt. Morgan Stanley & Co. Incorporated and J.P. Morgan Securities Inc. are acting as lead representatives of the agents for the notes offering.

This announcement shall not constitute an offer to sell or a solicitation of an offer to buy the notes. The offering will be made under an effective shelf registration statement. A copy of the preliminary prospectus supplement and related base prospectus may be obtained from the SEC's website at <http://www.sec.gov>. Alternatively, copies will be provided upon writer request to: AvalonBay Communities, Inc., 2900 Eisenhower Avenue, Suite 300, Alexandria, Virginia 22314, Attention: Chief Financial Officer.

About AvalonBay Communities, Inc.

AvalonBay is in the business of developing, redeveloping, acquiring, and managing apartment communities in high barrier-to-entry markets of the United States. As of June 30, 2009, the Company owned or held a direct or indirect ownership interest in 174 apartment communities containing 50,511 apartment homes in ten states and the District of Columbia,

of which 12 communities were under construction and seven communities were under reconstruction. 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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