AvalonBay COMMUNITIES, INC.

PRESS RELEASE

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For Immediate Release

AVALONBAY COMMUNITIES ANNOUNCES
2012 DIVIDEND INCOME TAX TREATMENT

ARLINGTON, VA (January 18, 2013) – **AvalonBay Communities, Inc.** ("AvalonBay" or the "Company") (NYSE: AVB) announced today the final income allocations of the Company's 2012 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)

Declaration Date	Record Date	Payable Date	Distribution Per Share	Taxable Ordinary Income (1)	Return of Capital	Capital Gain	Unrecap. Section 1250 Gain
01/31/12	03/30/12	04/16/12	$0.97000	$0.45590	$0.00000	$0.32010	$0.19400
05/23/12	06/29/12	07/16/12	0. 97000	0. 45590	0.00000	0. 32010	0. 19400
09/07/12	09/28/12	10/15/12	0. 97000	0. 45590	0.00000	0. 32010	0. 19400
11/08/12	12/31/12	01/15/13	0. 97000	0. 45590	0.00000	0. 32010	0. 19400
	Totals		$3.88000	$1.82360	$0.00000	$1. 28040	$0.77600
			100%	47%	0%	33%	20%

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, 2012, the Company owned or held an interest in 205 apartment communities containing 60,101 apartment homes in nine states and the District of Columbia, of which 22 communities were under construction and seven 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 listed company, may be found on AvalonBay's Web site at http://www.avalonbay.com.