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AvalonBay Communities Prices Common Stock Offering in Conjunction with Its Inclusion in the S&P 500

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

AvalonBay Communities, Inc. (NYSE:AVB) announced today that on January 9, 2007 it priced a public offering of shares of common stock in conjunction with its inclusion in the S&P 500. The offering consists of 4 million shares plus an over-allotment option of 600,000 shares, which has been exercised by the underwriters. Settlement of the sale, including the over-allotment shares, will occur on Tuesday, January 16, 2007. AvalonBay intends to use the aggregate net proceeds from the offering of approximately \$594 million for general corporate purposes.

A registration statement relating to the common stock has been filed with the Securities and Exchange Commission and has become effective. 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. 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 the prospectus supplement and prospectus or authorized free writing prospectus relating to the offering 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 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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