

September 8, 2009



## AvalonBay Communities Announces Tender Offer for Medium-Term Notes

ALEXANDRIA, Va.--(BUSINESS WIRE)-- AvalonBay Communities, Inc. (NYSE:AVB) ("AvalonBay") announced today that it has commenced a cash tender offer (the "Tender Offer") for up to \$300,000,000 in aggregate principal amount (the "Maximum Principal Amount") of AvalonBay's outstanding 7.500% Medium-Term Notes due December 15, 2010 (the "7.500% Notes"), 6.625% Medium-Term Notes due September 15, 2011 (the "6.625% Notes"), 5.500% Medium-Term Notes due January 15, 2012 (the "5.500% Notes") and 6.125% Medium-Term Notes due November 1, 2012 (the "6.125% Notes") at a purchase price per \$1,000 principal amount, in each case, as set forth in the table below and on the terms and conditions set forth in AvalonBay's Offer to Purchase dated September 8, 2009 (the "Offer to Purchase") and the related Letter of Transmittal. The 7.500% Notes, the 6.625% Notes, the 5.500% Notes and the 6.125% Notes are referred to herein collectively as the "Notes."

AvalonBay will, subject to the conditions, limitations and qualifications described in the Offer to Purchase, accept for purchase the Notes in accordance with the acceptance priority level, set forth in the table below in numerical priority order, with Level 1 being the highest priority level. AvalonBay will accept for purchase any and all validly tendered and not validly withdrawn 7.500% Notes. AvalonBay will then accept for purchase validly tendered and not validly withdrawn 6.625% Notes up to a sublimit of \$150,000,000 in aggregate principal amount (the "Maximum Principal Sublimit"). AvalonBay will then accept for purchase validly tendered and not validly withdrawn 5.500% Notes and 6.125% Notes in a principal amount up to the remaining Maximum Principal Amount. If the Maximum Principal Amount or the Maximum Principal Sublimit is not adequate to accept for purchase all of the validly tendered and not validly withdrawn Notes of a particular acceptance priority level, AvalonBay will allocate the available amount among Notes in such acceptance priority level on a pro rata basis.

Per \$1,000 Principal Amount

CUSIP Number	Title of Security	Aggregate Principal Amount	Maximum Principal	Acceptance Priority	Tender Offer Consideration	Early Tender	Total Consideration
--------------	-------------------	----------------------------	-------------------	---------------------	----------------------------	--------------	---------------------

		Outstanding (1)	Sublimit	Level		Premium (2)	
	7.500%						
05348E	Medium-Term						
AD1	Notes due December 15, 2010	\$135,577,000	N/A	1	\$1,045.00	\$30.00	\$1,075.00
	6.625%						
05348E	Medium-Term						
AE9	Notes due September 15, 2011	\$350,000,000	\$150,000,000	2	\$1,060.00	\$30.00	\$1,090.00
	5.500%						
05348E	Medium-Term						
AK5	Notes due January 15, 2012	\$235,000,000	N/A	3	\$1,032.50	\$30.00	\$1,062.50
	6.125%						
05348E	Medium-Term						
AG4	Notes due November 1, 2012	\$250,000,000	N/A	3	\$1,057.50	\$30.00	\$1,087.50

(1) The Aggregate Principal Amount Outstanding does not include the principal amount of certain notes previously repurchased by AvalonBay.

(2) Equal to the sum of the Tender Offer Consideration per \$1,000 principal amount of Notes for each series (the "Tender Offer Consideration") and the Early Tender Premium per \$1,000 principal amount of Notes for each series (the "Early Tender Premium"), in each case, as set forth in this table.

The "Total Consideration" for each \$1,000 principal amount of Notes tendered and accepted for payment pursuant to the Tender Offer will be the applicable Total Consideration set forth in the table above. The Total Consideration includes an early tender premium of \$30.00 per \$1,000 principal amount of Notes (the "Early Tender Premium"). Each holder of Notes who validly tenders (and does not validly withdraw) his or her Notes at or prior to 5:00 P.M., New York City time, on September 21, 2009, unless extended (such date and time, as the same may be extended, the "Early Tender Date"), will receive the Early Tender Premium. Holders tendering their Notes after the Early Tender Date will not be eligible to receive the Early Tender Premium.

The Tender Offer is scheduled to expire at 12:00 midnight, New York City time, on October 5, 2009, unless extended (the "Expiration Date").

In each case, holders who validly tender their Notes and whose Notes are accepted for purchase will also receive accrued and unpaid interest from the interest payment date for the applicable notes to, but not including, the payment date. The payment date will be promptly after the Expiration Date and is expected to be October 6, 2009.

Tendered Notes may be withdrawn at any time at or prior to 5:00 P.M., New York City time, on September 21, 2009, unless extended (the "Withdrawal Date"). Holders of Notes who tender their Notes after the Withdrawal Date, but at or prior to the Expiration Date, may not withdraw their tendered Notes. Subject to applicable law, AvalonBay may also terminate the Tender Offer at any time before the Expiration Date in its sole discretion.

#### Additional Information

AvalonBay has retained Morgan Stanley & Co. Incorporated and J.P. Morgan Securities Inc. as the Lead Dealer Managers in connection with the Tender Offer, and has retained BofA Merrill Lynch and Wells Fargo Securities, LLC as the Co-Dealer Managers for the Tender Offer. Global Bondholder Services Corporation is the Information Agent and Depositary for the Tender Offer. Questions regarding the Tender Offer should be directed to Morgan Stanley & Co. Incorporated at (800) 624-1808 (toll-free) or (212) 761-5384 (collect) or to J.P. Morgan Securities Inc. at (866) 834-4666 (toll-free) or (212) 834-4802 (collect). Requests for documentation should be directed to Global Bondholder Services Corporation at (212) 430-3774 (for banks and brokers only) or (866) 470-4200 (for all others toll-free). This announcement is for informational purposes only. This announcement is not an offer to purchase or a solicitation of an offer to purchase with respect to any Notes. The Tender Offer is being made solely pursuant to the Offer to Purchase and related documents. The Tender Offer is not being made to holders of Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the Tender Offer to be made by a licensed broker or dealer, the Tender Offer will be deemed to be made on behalf of AvalonBay by the dealer managers, or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

#### Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements by AvalonBay can be identified by the use of words such as "expects," "plans," "estimates," "projects," "intends," "believes" and similar expressions that do not relate to historical matters. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements as a result of risks and uncertainties, including, without limitation, possible changes in the timing and consummation of the Tender Offer and other matters detailed in AvalonBay's filings with the Securities and Exchange Commission, including AvalonBay's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements" and in subsequent quarterly reports on Form 10-Q. AvalonBay does not undertake a duty to update forward-looking statements.

#### 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>.

Source: AvalonBay Communities, Inc.