

April 6, 2011



AvalonBay Communities Announces Multi-Asset Exchange

ARLINGTON, Va.--(BUSINESS WIRE)-- AvalonBay Communities, Inc. (NYSE: AVB) (the "Company") announced today it has completed an exchange of assets with UDR, Inc. ("UDR"). The transaction includes exchanging a portfolio of three existing AVB apartment communities for a portfolio of six UDR apartment communities and \$26 million in cash. The AVB portfolio includes two properties and a small land parcel located in metropolitan Boston and one property located in San Francisco for an exchange value of \$263 million. The UDR portfolio is located in Southern California (metropolitan Los Angeles, Orange County and San Diego) and has an exchange value of \$237 million.

As part of the transaction, the Company will assume a \$55.4 million fixed-rate mortgage with a 5.24% interest rate and a maturity date of June 2013. In exchange, the Company will relinquish a \$55.8 million mortgage loan with a fixed rate of 5.86% that matures in May 2019. Excluding one-time transaction costs, the Company expects the asset exchange will be modestly accretive to FFO per share in 2011.

Following is a summary of each property included in the asset exchange:

AVB Assets Acquired

Property	Location	Metro Area	# Apartment Homes	Avg. Rent Per Home
The Crest at Phillips Ranch	Pomona, CA	Los Angeles	501	\$1,391
The Villas at San Dimas	San Dimas, CA	Los Angeles	156	\$1,326
The Villas at Bonita	San Dimas, CA	Los Angeles	102	\$1,250
The Arboretum	Lake Forest, CA	Orange County	225	\$1,406
Rancho Vallecitos	San Marcos, CA	San Diego	184	\$1,370

Milazzo	San Diego, CA	San Diego	250	\$1,335
Total/Weighted Average:			1,418	\$1,363

AVB Assets Exchanged

Towers by the Bay	San Francisco, CA	San Francisco	227	\$2,908
Avalon at Crane Brook	Peabody, MA	Boston	387	\$1,364
Avalon Woburn	Woburn, MA	Boston	446	\$1,604
Total/Weighted Average:			1,060	\$1,795

Average Rent Per Home is defined as monthly leased rent on occupied apartment homes as of 3/31/2011

The transaction has been structured as a Like Kind 1031 Exchange. The net reportable tax gain for AVB is \$24 million and consists of the difference in value between the AVB and UDR assets and the difference in the amount of debt relinquished versus assumed.

Commenting on the transaction, Bryce Blair, Chairman and CEO, said "This transaction is consistent with our portfolio allocation goals. We are re-allocating capital from markets where we have a large portfolio of higher price point assets into a currently under-allocated region with assets that offer multiple price points. In this specific case, we are exchanging assets in Boston and San Francisco, where we have robust development pipelines, into Southern California at a time when the region's fundamentals are in the early stage of a recovery."

About AvalonBay Communities, Inc.

As of December 31, 2010, AvalonBay Communities, Inc. owned or held a direct or indirect ownership interest in 186 apartment communities containing 54,579 apartment homes in ten states and the District of Columbia, of which 14 communities were under construction and nine communities were under reconstruction. AvalonBay is an equity REIT 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 website at <http://www.avalonbay.com>.

Forward-Looking Statements

This release, including its Attachments, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. You can identify these forward-looking statements by the Company's use of words such as "expects," "plans," "estimates," "anticipates," "projects," "intends," "believes," "outlook" and similar expressions that do not relate to historical matters. Actual results may differ materially from those expressed or implied by the forward-looking statements as a result of risks and uncertainties, which

include the following: we may abandon development or redevelopment opportunities for which we have already incurred costs; adverse capital and credit market conditions may affect our access to various sources of capital and/or cost of capital, which may affect our business activities, earnings and common stock price, among other things; changes in local employment conditions, demand for apartment homes, supply of competitive housing products, and other economic conditions may result in lower than expected occupancy and/or rental rates and adversely affect the profitability of our communities; delays in completing development, redevelopment and/or lease-up may result in increased financing and construction costs and may delay and/or reduce the profitability of a community; debt and/or equity financing for development, redevelopment or acquisitions of communities may not be available or may not be available on favorable terms; we may be unable to obtain, or experience delays in obtaining, necessary governmental permits and authorizations; and increases in costs of materials, labor or other expenses may result in communities that we develop or redevelop failing to achieve expected profitability. Additional discussions of risks and uncertainties appear in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 under the headings "Risk Factors" and 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. The Company does not undertake a duty to update forward-looking statements, including its expected operating results for the first quarter and full year 2011. The Company may, in its discretion, provide information in future public announcements regarding its outlook that may be of interest to the investment community. The format and extent of future outlooks may be different from the format and extent of the information contained in this release.

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