

January 28, 2009



AvalonBay Communities Announces Results of Elections for Regular and Special Stockholder Dividend

ALEXANDRIA, Va.--(BUSINESS WIRE)-- AvalonBay Communities, Inc. ("AvalonBay" or the "Company") (NYSE:AVB) announced today the results of stockholder elections relating to the combined regular and special dividend (the "Combined Dividend") on shares of the Company's common stock, par value \$0.01 per share (the "Common Stock") declared by its Board of Directors on December 17, 2008. The Combined Dividend of \$2.70 per share of Common Stock will be paid in the form of cash, shares of Common Stock or a combination of cash and shares of Common Stock, as described below, on January 29, 2009, to stockholders of record at the close of business on December 29, 2008.

As previously disclosed, a portion of the Combined Dividend in the amount of \$0.8925 per share represents payment of the regular dividend for the quarter ended December 31, 2008, and a portion in the amount of \$1.8075 per share represents payment of an additional special dividend (the "Special Dividend").

The terms of the Combined Dividend, including the ability of stockholders to elect to receive the Combined Dividend in the form of cash or shares of AvalonBay's Common Stock, and a limitation on the aggregate amount of cash to be included in the Combined Dividend, were described in detail in the prospectus filed with the Securities and Exchange Commission on December 31, 2008. Stockholders were required to deliver election forms to the Company's transfer agent not later than 5:00 p.m., Eastern Time, on January 22, 2009.

Based on stockholder elections, AvalonBay will pay the Combined Dividend in the form of approximately \$69 million in cash and approximately 2.6 million shares of its Common Stock. The total number of shares included in the Combined Dividend, and the number of shares that will be paid to those stockholders receiving shares in satisfaction of all or part of the Combined Dividend, is calculated based on a per share value of \$53.06, the average of the volume weighted trading price per share of AvalonBay's Common Stock on the New York Stock Exchange for January 22 and 23, 2009. Summarized results of the Combined Dividend elections are as follows:

-- To stockholders electing to receive the Combined Dividend in all stock,

AvalonBay will pay the dividend in shares of Common Stock.

- To stockholders electing to receive the Combined Dividend in all cash, AvalonBay will pay the dividend in the form of \$1.02272 per share in cash and \$1.67728 per share in shares of Common Stock.
- To stockholders failing to make an election and to stockholders who elected to receive a combination of cash and stock, AvalonBay will pay the Combined Dividend in the form of \$0.8925 per share in cash and \$1.8075 per share in shares of Common Stock.
- AvalonBay will pay fractional shares in cash.

Registered stockholders with questions regarding the Combined Dividend may contact the Shareholder Relations Department of BNY Mellon Shareowner Services, the Information Agent (and the Company's transfer agent), at (866) 205-7271. Stockholders whose shares are held through a bank, broker or nominee should contact that bank, broker or nominee with any questions regarding the Combined Dividend or the election submitted by that bank, broker or nominee on their behalf.

About AvalonBay Communities, Inc.

AvalonBay Communities, Inc. is one of the largest equity real estate investment trust (REIT) companies in the United States focused on the business of developing, redeveloping, acquiring and managing apartment communities in high barrier-to-entry markets. As of December 31, 2008, the Company owned or held a direct or indirect ownership interest in 178 apartment communities containing 50,292 apartment homes in ten states and the District of Columbia, of which 14 communities were under construction and nine communities were under reconstruction. More information may be found on the Company's website at the following address <http://www.avalonbay.com>.

For additional information, please contact John Christie, Senior Director of Investor Relations and Research at 1-703-317-4747 or Thomas J. Sargeant, Chief Financial Officer at 1-703-317-4635.

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