SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): SEPTEMBER 4, 1997

BAY APARTMENT COMMUNITIES, INC.
(Exact name of Registrant as specified in charter)

MARYLAND	1-12672	77-0404318
(State or other jurisdiction of incorporation)	(Commission file number)	(IRS employer identification no.)

4340 STEVENS CREEK BOULEVARD, SUITE 275, SAN JOSE, CA 95129
(Address of principal executive offices) (Zip Code)

(408) 983-1500
(Registrant's telephone number, including area code)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

In September, 1997, the Company acquired two apartment home communities and one land site, which have not previously been disclosed in a Current Report on Form 8-K, for an aggregate purchase price of approximately $80.09 million. As of September 8, 1997, the Company's portfolio consists of 44 communities containing 11,840 apartment homes and five land sites on which it is building, or plans to commence building in the future, communities, which will contain an aggregate of approximately 1,793 apartment homes. The recently acquired properties are described below. Substantially all of the purchase price for each property acquired was funded by drawing on the Company's $200 million unsecured line of credit from Union Bank of Switzerland and other participating banks. Neither the Company, any subsidiary of the Company nor any director or officer of the Company was affiliated with or had a material relationship with the seller of any property described below.

THE PARK APARTMENTS. On September 4, 1997, the Company purchased a 351 apartment home community located in Hacienda Heights, California from Crimson Real Estate Limited Partnership for approximately $20.9 million. The Company intends to renovate the community's leasing office, landscaping and apartment home interiors. In addition, the Company intends to convert 200 carport spaces to garages and add stackable washers and dryers to the apartment homes.

LAKESIDE APARTMENTS. On September 5, 1997, the Company purchased a 750 apartment home community located in Burbank, California from Olympus/April Joint Venture for approximately $50.26 million. The Company intends to replace the community's roofs and existing galvanized plumbing, convert existing parking facilities to garages, add stackable washers and dryers in the community's two and three bedroom apartment homes, and renovate the interiors of the community's apartment homes, including new carpeting, paint and fixtures. In addition, the Company intends to add an exercise facility adjacent to the community's leasing office.

MOUNTAIN VIEW LAND SITE. On September 8, 1997, the Company acquired a 1.917 acre land site in Mountain View, California which includes a 50% undivided interest in an existing underground parking garage adjacent to this land site, subject to agreements which specifically allocate parking rights between an adjacent office building and this development, including 266 spaces reserved exclusively for residents of the community planned for this site. The land site was purchased in two separate parcels, one from View Tower One LLC for approximately $3.93 million and the other from Starker Services, Inc. for approximately $5.0 million. The Company intends to build two 12-story towers on this land site, which will contain a total of 266 apartment homes and approximately 10,000 square feet of ground level space for a recreation, leasing and community center. The acquisition of this site includes substantially all necessary public approvals and previously paid city fees totaling approximately $800,000.

ITEM 5. OTHER EVENTS.

In 1996, Bay Apartment Communities, Inc. (the "Company") engaged the services of two consulting firms to compile and analyze data to be used in the daily operational and long-term strategic decision-making of the Company's management. Together, these studies provide the Company with general market overviews, demographic trends, and analyses of effective rents, historical vacancy rates and projects in planning, primarily for counties within the San Francisco Bay Area (defined to include Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Sonoma, Santa Clara and Solano Counties) rental market.

One report, completed by Ann Roulac and Company, is based on an analysis of the research compiled by RealData, Inc., the current producer of the Bay Area Apartment Market Report (BAAMR), a detailed reference guide to the San Francisco Bay Area apartment market. The scope of Ann Roulac and Company's engagement was to identify 100 plus investment grade apartment properties from the BAAMR database of 450 properties for the Alameda, San Francisco, San Mateo and Santa Clara Counties. The data presented by Ann Roulac and Company are based on surveys with managers of 100 properties in the four subject counties.

The second report, completed by the Rosen Consulting Group, focused its analyses on five counties (i.e., San Mateo, Santa Clara, Alameda, San Francisco and Orange), four of which are located in the San Francisco Bay Area. In preparing its report, the Rosen Consulting Group analyzed recent economic trends and forecasted employment trends, demographic trends and the affordability and demand for rental units.

The reports prepared for the Company by Ann Roulac and Company and the Rosen Consulting Group were attached as exhibits to the Company's report on Form 8-K dated July 5, 1996, and an addendum to the report by the Rosen Consulting Group was attached to the Company's report on Form 8-K dated January 21, 1997 as an exhibit thereto. Attached as exhibits hereto are (i) a subsequent report by Ann Roulac and Company dated February, 1997 and (ii) a subsequent addendum to the report by the Rosen Consulting Group. The foregoing description of the contents of the consulting reports does not purport to be complete and is qualified in its entirety by reference to such exhibits.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) Financial Statements under Rule 3-14 of Regulation S-X

(b) Pro Forma Financial Statements

(c) Exhibits

23.1 Consent of Coopers & Lybrand L.L.P., Independent Accountants.

23.2 Consent of Ann Roulac and Company.

23.3 Consent of Rosen Consulting Group.

99.1 Report by Ann Roulac and Company entitled San Francisco Bay Area Rental Analysis, dated February, 1997.

99.2 Addendum to the report by Rosen Consulting Group dated July 5, 1996.

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Directors
Bay Apartment Communities, Inc.:

We have audited the accompanying Historical Summary of Revenues and Direct Operating Expenses (the Historical Summary) of The Park Apartments, Burbank, California (the Property) for the year ended December 31, 1996. The Historical Summary is the responsibility of the Property's owner. Our responsibility is to express an opinion on the Historical Summary based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Historical Summary is free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Historical Summary. An audit also includes assessing the basis of accounting used and significant estimates made by management, as well as evaluating the overall presentation of the Historical Summary. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Historical Summary was prepared for the purpose of complying with rules and regulations of the Securities and Exchange Commission, as described in Note A, and is not intended to be a complete presentation of the Property's revenues and expenses and may not be comparable to results from proposed future operations of the Property.

In our opinion, the Historical Summary referred to above presents fairly, in all material respects, the revenues and direct operating expenses, described in Note A, of The Park Apartments, Burbank, California, for the year ended December 31, 1996, in conformity with generally accepted accounting principles.

/s/ COOPERS & LYBRAND L.L.P.

San Francisco, California
September 6, 1997

THE PARK APARTMENTS

HISTORICAL SUMMARY OF REVENUES AND
DIRECT OPERATING EXPENSES

<TABLE>
<CAPTION>

	Year Ended December 31, 1996
<S>	<C>
Revenues:	
Rental income	$2,668,530
Other	115,075
	2,783,605
Direct operating expenses:	
On-site management	318,491
Real property tax	178,709
Utilities	188,104
Repairs and maintenance	265,667
Other	82,812
	1,033,783
Revenues in excess of direct operating expenses	$1,749,822

</TABLE>

The accompanying note is an integral part of this Historical Summary.

THE PARK APARTMENTS

NOTE TO HISTORICAL SUMMARY OF REVENUES
AND DIRECT OPERATING EXPENSES

A. Property and Basis of Accounting:

The accompanying Historical Summary of Revenues and Direct Operating Expenses has been prepared in accordance with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission and relates to the operations of The Park Apartments, located in Burbank, California with 351 apartment homes.

In accordance with Rule 3-14, direct operating expenses are presented exclusive of depreciation, interest, management fees, and income taxes.

Rental income attributable to residential leases is recorded when due from tenants.

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Directors
Bay Apartment Communities, Inc.:

We have audited the accompanying Historical Summary of Revenues and Direct Operating Expenses (the Historical Summary) of Lakeside Apartments, Hacienda Heights, California (the Property) for the year ended December 31, 1996. The Historical Summary is the responsibility of the Property's owner. Our responsibility is to express an opinion on the Historical Summary based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Historical Summary is free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Historical Summary. An audit also includes assessing the basis of accounting used and significant estimates made by management, as well as evaluating the overall presentation of the Historical Summary. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Historical Summary was prepared for the purpose of complying with rules and regulations of the Securities and Exchange Commission, as described in Note A, and is not intended to be a complete presentation of the Property's revenues and expenses and may not be comparable to results from proposed future operations of the Property.

In our opinion, the Historical Summary referred to above presents fairly, in all material respects, the revenues and direct operating expenses, described in Note A, of Lakeside Apartments, Hacienda Heights, California, for the year ended December 31, 1996, in conformity with generally accepted accounting principles.

/s/ COOPERS & LYBRAND L.L.P.

San Francisco, California
September 6, 1997

LAKESIDE APARTMENTS

HISTORICAL SUMMARY OF REVENUES AND
DIRECT OPERATING EXPENSES

<TABLE>
<CAPTION>

	Year Ended December 31, 1996
<S>	<C>
Revenues:	
Rental income	$6,140,017
Other	198,273
	6,338,290
Direct operating expenses:	
On-site management	682,353
Real property tax	412,969
Utilities	315,046
Repairs and maintenance	1,188,274
Other	206,740
	2,805,382
Revenues in excess of direct operating expenses	$3,532,908

</TABLE>

The accompanying note is an integral
part of this Historical Summary.

LAKESIDE APARTMENTS

NOTE TO HISTORICAL SUMMARY OF REVENUES
AND DIRECT OPERATING EXPENSES

A. Property and Basis of Accounting:

The accompanying Historical Summary of Revenues and Direct Operating Expenses has been prepared in accordance with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission and relates to the operations of Lakeside Apartments, located in Hacienda Heights, California with 750 apartment homes.

In accordance with Rule 3-14, direct operating expenses are presented exclusive of depreciation, interest, management fees, and income taxes.

Rental income attributable to residential leases is recorded when due from tenants.

F - 6

BAY APARTMENT COMMUNITIES, INC.
PRO FORMA CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1996
(In thousands)
(Unaudited)

<TABLE>
<CAPTION>

<S>	Historical <C>	1997 Acquisitions <C>	Pro Forma <C>
Assets:			
Real estate assets:			
Land	$152,277	$25,467 A	$177,744
Buildings and improvements	511,583	42,263 A	553,846
Furniture, fixtures & equipment	35,542	3,426 A	38,968
	699,402	71,156	770,558
Less: accumulated depreciation	(52,554)	0	(52,554)
Operating real estate assets	646,848	71,156	718,004
Construction in progress	50,945	0	50,945
Net real estate assets	697,793	71,156	768,949
Cash & cash equivalents	920	0	920
Restricted cash	960	0	960
Other assets, net	12,236	0	12,236
Total Assets	$711,909	$71,156	$783,065
Liabilities and Shareholders' Equity:			
Liabilities:			
Notes payable	$273,688	$70,103 B	$343,791
Accounts payable and accrued expenses	5,450	0	5,450
Dividends payable	8,939	0	8,939
Other liabilities	4,553	1,053 C	5,606
Total Liabilities	292,630	71,156	363,786
Minority interest	7,002	0	7,002
Shareholders' Equity:			
Preferred stock	27	0	27
Common stock	190	0	190
Paid in capital	435,723	0	435,723
Dividends in excess of accumulated earnings	(23,663)	0	(23,663)
Total Shareholders' Equity	412,277	0	412,277
Total Liabilities and Shareholders' Equity	$711,909	$71,156	$783,065

</TABLE>

F - 7

BAY APARTMENT COMMUNITIES, INC.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED
DECEMBER 31, 1996
(In thousands, except share
and per share data)
(Unaudited)

<TABLE>
<CAPTION>

1997

<S>

	Historical	Acquisitions	Pro Forma
	<C>	<C>	<C>
Revenue:			
Rental	$80,377	$8,809 D	$89,186
Other	2,216	313 D	2,529
Total revenue	82,593	9,122	91,715
Expenses:			
Property operating	18,924	3,047 E	21,971
Property taxes	6,353	592 E	6,945
General and administrative	3,895	201 E	4,096
Interest and financing	14,276	4,398 F	18,674
Depreciation and amortization	18,689	1,898 G	20,587
Total expenses	62,137	10,136	72,273
Income before minority interest and extraordinary item	20,456	(1,014)	19,442
Minority interest	(319)	-	(319)
Income before extraordinary item	20,137	(1,014)	19,123
Extraordinary item	(511)	-	(511)
Net income	19,626	(1,014)	18,612
Preferred dividend requirement	(4,264)	-	(4,264)
Earnings available to common shares	$15,362	($1,014)	$14,348
Weighted average shares outstanding	15,126,242		15,126,242
Per share	$1.02		$0.95

</TABLE>

1. Basis of Presentation:

The pro forma financial statements of Bay Apartment Communities, Inc. (the "Company"), which are unaudited, have been prepared based on the historical financial statements of the Company. The pro forma consolidated balance sheet has been prepared as if the acquisition of the two apartment communities as of September 5, 1997 (the "1997 Acquisition Communities"), had occurred on December 31, 1996. The pro forma consolidated balance sheet does not reflect the acquisition of two land site parcels for $8.93 million described herein. The pro forma consolidated statement of operations for the twelve months ended December 31, 1996, has been prepared as if the above mentioned events had occurred on January 1, 1996. In management's opinion, all adjustments necessary to reflect the effects of these transactions have been made. The pro forma financial statements should be read in conjunction with the historical financial statements of the Company.

2. PRO FORMA ADJUSTMENTS:

A - Additional real estate assets are attributable to the 1997 Acquisition Communities which consist of the $50.3 million acquisition of the Lakeside Apartments, and the $20.9 million acquisition of the The Park Apartments.

B - Increase in notes payable is attributable to cash used to acquire the 1997 Acquisition Communities which was drawn from the Credit Facility.

C - Increase in other liabilities is attributable to resident deposits and accrued property taxes from the 1997 Acquisition Communities.

D - Additional rental and other revenue is attributable to the 1997

Acquisition Communities.

E - Additional property operating expense, property tax expense, and general and administrative expense are attributable to the 1997 Acquisition Communities.

F - Additional interest and financing expense is attributable to the interest incurred on funds obtained from the Credit Facility which were used to acquire the 1997 Acquisition Communities.

G - Depreciation expense attributable to the 1997 Acquisition Communities has been computed using the straight-line method over 30 years for buildings and 7 years for furniture, fixtures and equipment.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be filed on its behalf by the undersigned thereunto duly authorized.

BAY APARTMENT COMMUNITIES, INC.

Dated: September 8, 1997 By: /s/ Jeffrey B. Van Horn

Jeffrey B. Van Horn
Vice President, Chief Financial Officer and Secretary

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Bay Apartment Communities, Inc. on Form S-8 (File No. 333-16809), Form S-8 (File No. 333-16837), Form S-3 (File No. 333-16647), Form S-3 (File No. 333-15407), and Form S-3 (File No. 333-15875) of our report dated September 6, 1997, on our audit of the Historical Summary of Revenues and Direct Operating Expenses of Park Apartments for the year ended December 31, 1996, and of our report dated September 6, 1997, on our audit of the Historical Summary of Revenues and Direct Operating Expenses of Lakeside Apartments for the year ended December 31, 1996, which reports are included in this Current Report on Form 8-K.

/s/ COOPERS & LYBRAND L.L.P.

San Francisco, California
September 9, 1997

EXHIBIT 23.2

CONSENT OF ANN ROULAC AND COMPANY

September 8, 1997

We consent to the incorporation by reference in the Registration Statement of Bay Apartment Communities, Inc. (the "Company") on Form S-3 (File No. 333-15875) (the "Registration Statement"), and any registration statement filed pursuant to Rule 462(b) of the Securities Act of 1933 which relates to the securities registered under the Registration Statement, of our report dated February, 1997, entitled San Francisco Bay Area Rental Analysis, which report is included in the Company's report on Form 8-K filed with this consent. We also consent to being named as an expert in any Prospectus Supplement to the Registration Statement.

ANN ROULAC AND COMPANY

By: /s/ Ann N. Roulac

Ann N. Roulac
President

EXHIBIT 23.3

CONSENT OF ROSEN CONSULTING GROUP

September 8, 1997

We consent to the incorporation by reference in the Registration Statement of Bay Apartment Communities, Inc. (the "Company") on Form S-3 (File No. 333-15875) (the "Registration Statement"), and any registration statement filed pursuant to Rule 462(b) of the Securities Act of 1933 which relates to the securities registered under the Registration Statement, of (i) our report dated June 28, 1996, entitled the Apartment Markets in Orange, Santa Clara, Alameda, San Francisco and San Mateo counties, and an addendum thereto, which report and addendum were included in the Company's reports on Form 8-K dated July 5, 1996 and January 21, 1997, respectively, and (ii) the addendum thereto included in the Company's report on Form 8-K to which this consent is an exhibit. We also consent to being named as an expert in this Prospectus Supplement to the Registration Statement with respect to demographics and market information.

ROSEN CONSULTING GROUP

By: /s/ Kenneth T. Rosen

Kenneth T. Rosen

Exhibit 99.1

San Francisco Bay Area
Rental Analysis

PRESENTED TO

Bay Apartment Communities

PREPARED BY
Ann Roulac and Company
98 Main Street, Suite 439
Tiburon, CA 94920
415-435-2825

February 1997

Table of Contents

Index of Exhibits

DEFINITION OF TERMS

Effective Rent:	The average asking street rent less the value of all concessions, including without limitation, moving allowances or discounts. Note: Due to extremely tight market conditions in the Bay Area, as of the writing of this report, we found rental concessions to be negligible at this time.
Percent Change:	The percent increase or decrease in the rental rate between the applicable reporting periods.
Vacant Units:	The total number of physically unoccupied units in completed buildings throughout the applicable apartment complex or Bay Area region.
Vacancy Rate:	The percent of physically unoccupied units in completed buildings throughout the applicable apartment complex or Bay Area region, calculated by dividing the vacant units by the total number of units in the applicable apartment complex or Bay Area region.
Institutional Quality/Grade:	Professionally managed apartment properties of 100 units or more that are generally newer. However, older apartment properties that are structurally sound and well positioned in the applicable Bay Area region are included as well.

MARKET OVERVIEW

The following are highlights from our research of the four Bay Area counties as of January 1997.

ALAMEDA COUNTY OVERVIEW

- Average rental rates from the survey were $1,060 or $1.28/square foot.
- The highest average rents were in Fremont with an average rent of $1,141 or $1.45/square foot.
- Rent increases for 1996 were 8.87% and were up significantly during the first half of 1996 increasing 5.93%.
- Union City experienced the largest rent increases in Alameda County , which increased 13.13% during 1996.
- Vacancy rates increased from 1.44% at year end 1995 to 1.50% at year end 1996

SAN FRANCISCO COUNTY OVERVIEW

- Average rental rates from the survey were $1,456 or $2.03/square foot.
- Rental increases for 1996 were 17.14% while rents in San Francisco increased by 11.18% during the first half of 1996.
- Vacancy rates decreased from 2.30% at year end 1995 to 0.23% at year end, 1996.

SAN MATEO COUNTY OVERVIEW

- Average rental rates from the survey were $1,345 or $1.68/square foot.
- The highest average rents were in Redwood Shores with an average rent of $1,672 or $1.92/square foot.

- Rent increases in San Mateo were the largest of the four counties surveyed at 12.88% for the first half of 1996, and 21.06% at year end 1996.

- Vacancy rates as of year end 1995 were 1.04% and had increased to 1.43% by year end 1996.

SANTA CLARA COUNTY OVERVIEW

- Average rental rates from the survey were $1,366 or $1.59/square foot.

- The highest average rents were reported in Mountain View with an average rent of $1,491 or $1.73/square foot.

- Of the four counties surveyed, Santa Clara reported the largest rent increases at 16.46% for 1995. Rental increases through the first half of 1996 were up 12.04% yet by year end the rent increase was 15.87%.

- Vacancy rates as of year end 1995 were 0.36% and have increased slightly to 0.82%.

EFFECTIVE RENTS

STATUS OF EFFECTIVE RENTS

The following table reflects the weighted average effective rents for institutional grade apartment properties for the four counties surveyed by Ann Roulac and Company and outlined below. The weighted averages were calculated based on the total number of units in each county.

<TABLE>

RENTAL RATES AS OF JANUARY 1997

<CAPTION>

	RENT			RENT PER SQUARE FOOT		
COUNTY	MIN	MAX	WEIGHTED AVG	MIN	MAX	WEIGHTED AVG
Alameda	$1,032	$1,088	$1,060	$1.24	$1.31	$1.28
San Francisco	$1,252	$1,660	$1,456	$1.74	$2.31	$2.03
San Mateo	$1,295	$1,396	$1,345	$1.61	$1.74	$1.68
Santa Clara	$1,307	$1,425	$1,366	$1.52	$1.66	$1.59
WEIGHTED AVERAGE	$1,222	$1,392	$1,307	$1.53	$1.75	$1.65

</TABLE>

The following table reflects the rental range of the weighted average effective rents for institutional grade apartment properties for the cities within the four counties surveyed and outlined below:

<TABLE>

EFFECTIVE RENTS AS OF JANUARY 1997

<CAPTION>

COUNTY / CITY / # UNITS	RENT MIN	RENT MAX	RENT WEIGHTED AVG	RENT PER SQUARE FOOT MIN	RENT PER SQUARE FOOT MAX	RENT PER SQUARE FOOT WEIGHTED AVG
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ALAMEDA COUNTY (7,940)	$1,032	$1,088	$1,060	$1.24	$1.31	$1.28
Dublin (1,421)	1,038	1,090	1,064	1.18	1.24	1.21
Fremont (2,140)	1,103	1,178	1,141	1.40	1.49	1.45
Hayward (2,023)	916	985	951	1.08	1.16	1.12
Pleasanton (1,804)	1,073	1,095	1,084	1.25	1.28	1.27
Union City (282)	970	995	982	1.38	1.41	1.40
SAN FRANCISCO COUNTY (6,563)	$1,252	$1,660	$1,456	$1.74	$2.31	$2.03
San Francisco (6,563)	1,152	1,660	1,456	1.74	2.31	2.03
SAN MATEO COUNTY (5,199)	$1,295	$1,396	$1,345	$1.61	$1.74	$1.68
Daly City (396)	1,149	1,149	1,149	1.60	1.60	1.60
Foster City (2,480)	1,370	1,478	1,424	1.63	1.76	1.70
Pacifica (580)	1,028	1,172	1,100	1.40	1.60	1.50
Redwood City (452)	1,507	1,620	1,564	1.95	2.10	2.03
Redwood Shores (185)	1,574	1,770	1,672	1.81	2.03	1.92
San Bruno (606)	1,080	1,105	1,093	1.39	1.42	1.41
San Mateo (500)	1,310	1,460	1,385	1.64	1.83	1.74
SANTA CLARA COUNTY(12,189)	$1,307	$1,425	$1,366	$1.52	$1.66	$1.59
Campbell (608)	1,307	1,390	1,349	1.47	1.56	1.52
Mountain View (1,190)	1,455	1,526	1,491	1.69	1.77	1.73
San Jose (4,252)	1,210	1,433	1,322	1.37	1.62	1.50
Santa Clara(3,097)	1,345	1,416	1,381	1.62	1.70	1.66
Sunnyvale (3,042)	1,346	1,393	1,370	1.61	1.67	1.64
TOTAL 31,891						

</TABLE>

RENTAL RATES

The following table reflects the weighted average effective rents for institutional grade apartment properties for the cities within the four counties surveyed and outlined below:

AVERAGE EFFECTIVE RENTS

COUNTY / CITY	1/1/95	1/1/96	1/1/97
ALAMEDA COUNTY	$913	$962	$1,060
Dublin	925	969	1,064
Fremont	976	1,048	1,141
Hayward	855	868	951
Pleasanton	909	974	1,084
Union City	829	868	982
SAN FRANCISCO COUNTY	$1,149	$1,243	$1,456
San Francisco	1,149	1,243	1,456
SAN MATEO COUNTY	$1,047	$1,111	$1,345
Daly City	905	968	1,149
Foster City	1,057	1,175	1,424
Pacifica	868	879	1,100
Redwood City	1,079	1,180	1,564
Redwood Shores	1,306	1,363	1,672
San Bruno	889	953	1,093
San Mateo	978	1,108	1,385
SANTA CLARA COUNTY	$1,006	$1,179	$1,366
Campbell	869	1,191	1,349
Mountain View	1,083	1,259	1,491
San Jose	989	1,156	1,322
Santa Clara	1,014	1,189	1,416
Sunnyvale	988	1,168	1,393

NOTE: Data through 6/30/95 for Pacifica and San Bruno were not used in calculating the San Mateo County average due to incomplete information.

HISTORICAL RENT INCREASES

RENT INCREASES FOR INSTITUTIONAL APARTMENT PROPERTIES

The following table reflects the rent increases for the 100 institutional grade apartment properties for the four counties surveyed by Ann Roulac and Company on both a periodic and annualized basis:

RENT INCREASES FOR INSTITUTIONAL PROPERTIES				
	ANNUALIZED INCREASE	INCREASE	PERCENT CHANGE	INCREASE
COUNTY / CITY	1994	1995	1/1/96 TO 6/30/96	1996
Alameda	2.00	5.26	5.93	10.19
San Francisco	8.72	8.12	11.18	17.14
San Mateo	3.90	5.97	12.88	21.06
Santa Clara	4.00	16.46	12.04	15.87
WEIGHTED AVERAGE	3.62	10.99	10.49	16.07

Source: Ann Roulac and Company, January 1997

The annualized rental increases were calculated by multiplying the monthly increase by twelve. The largest average increase occurred during the January 1996 to June 1996 time frame. The rental rate gains through 1996 were most substantial in the county of San Mateo, with an increase of 21.06%, followed by San Francisco with an increase of 17.14%, Santa Clara with an increase of 15.87%, and Alameda with an increase of 10.19%.

The following table summarizes the rent increases for the institutional grade apartment properties surveyed by Ann Roulac and Company for the counties and cities outlined below:

RENT INCREASES FOR INSTITUTIONAL PROPERTIES			
	ANNUALIZED INCREASE	INCREASE	INCREASE
COUNTY / CITY	1994	1995	1996
ALAMEDA COUNTY	2.00	5.26	10.19
Dublin	1.08	4.71	9.80
Fremont	-1.22	7.23	8.87
Hayward	5.78	1.45	9.56
Pleasanton	3.36	7.10	11.29
Union City	4.70	4.67	13.13
SAN FRANCISCO COUNTY	8.72	8.12	17.14
San Francisco	8.72	8.12	17.14
SAN MATEO COUNTY	3.90	5.97	21.06
Daly City	0.22	7.06	18.70

Foster City	4.44	10.92	21.19
Pacifica	n/a	n/a	13.64
Redwood City	1.88	9.11	32.54
Redwood Shores	8.12	4.36	22.67
San Bruno	---	7.11	14.69
San Mateo	3.76	12.98	25.00
SANTA CLARA COUNTY	4.00	16.46	15.87
Campbell	4.00	13.46	13.27
Mountain View	0.02	15.59	18.43
San Jose	0.00	16.14	14.36
Santa Clara	5.40	16.65	19.09
Sunnyvale	5.60	16.33	19.26

</TABLE>

Source: Ann Roulac and Company, January 1997
NOTE: The annualized rental increases were calculated by multiplying the monthly increase by twelve.

HISTORICAL VACANCY RATES

The following table outlines the annual average vacancy rates for eight Bay Area counties from the database of 1,280 apartment properties of 40 units or more in size in the San Francisco Bay Area reported by RealFacts in their December 1996 report. The apartment properties surveyed are representative of the market as a whole, and include both older and newer properties.

<TABLE>

HISTORICAL VACANCY RATES FROM REALFACTS

<CAPTION>

BAY AREA	1992	1993	1994	1995	1996
<S>	<C>	<C>	<C>	<C>	<C>
Alameda	4.57	4.65	4.70	3.54	3.00
Contra Costa	4.48	5.69	5.24	5.09	4.30
Marin	3.04	3.79	2.53	2.56	4.50
San Francisco	5.50	4.55	4.00	2.35	2.40
San Mateo	3.13	3.48	3.17	1.94	2.10
Santa Clara	3.66	3.82	3.48	1.47	2.30
Solano	4.13	5.18	5.71	5.02	6.20
Sonoma	3.29	4.33	4.93	3.09	3.00
Weighted Average	3.98	4.43	4.16	2.87	3.00

</TABLE>

Source: RealFacts, December 1996

In order to compare the performance of institutional quality apartment properties to the market as a whole, we have analyzed the vacancy rates for institutional grade apartment properties in the four surveyed counties. The results indicate that the vacancy rates for institutional properties have decreased by approximately 0.15% in the last year from 1.14% in January 1996 to 0.99% in January 1997, and are lower than the apartment database surveyed by RealFacts.

The following table reflects the vacancy rates for institutional grade apartment properties for the four counties surveyed by Ann Roulac and Company:

VACANCY RATES FOR INSTITUTIONAL PROPERTIES

COUNTY	1/1/95	1/1/96	1/1/97
Alameda	3.34	1.44	1.50
San Francisco	4.13	2.30	0.23
San Mateo	3.67	1.04	1.43
Santa Clara	3.80	0.36	0.82
AVERAGE	3.66	1.14	0.99

Source: Ann Roulac and Company, January 1997

VACANCY RATES

Apartment vacancy rates for the institutional grade apartment properties surveyed by Ann Roulac and Company in the cities within the four surveyed Counties are reflected in the following table:

VACANCY RATES FOR INSTITUTIONAL PROPERTIES

COUNTY / CITY	1/1/95	1/1/96	1/1/97
ALAMEDA COUNTY	3.34%	1.44%	1.50%
Dublin	1.34%	0.35%	0.91%
Fremont	5.53%	1.98%	1.62%
Hayward	3.51%	2.13%	1.48%
Pleasanton	2.44%	1.05%	1.44%
Union City	1.42%	0.35%	3.90%

SAN FRANCISCO COUNTY	4.13%	2.30%	0.23%
San Francisco	4.13%	2.30%	0.23%
SAN MATEO COUNTY	3.67%	1.04%	1.43%
Daly City	8.84%	0.00%	0.25%
Foster City	2.57%	1.49%	1.85%
Pacifica	1.11%	0.00%	0.15%
Redwood City	3.98%	0.44%	3.32%
Redwood Shores	2.70%	0.00%	2.70%
San Bruno	4.29%	0.96%	0.00%
San Mateo	5.73%	1.40%	0.80%
SANTA CLARA COUNTY	3.80%	0.36%	0.82%
Campbell	5.00%	0.49%	1.48%
Mountain View	3.44%	0.00%	0.59%
San Jose	4.93%	0.56%	0.45%
Santa Clara	3.91%	0.36%	1.20%
Sunnyvale	2.89%	0.20%	0.92%

</TABLE>

Exhibit I
County and City Summaries

Exhibit II

List of Apartment Properties Surveyed

Exhibit II

ALAMEDA COUNTY

DUBLIN	Amador Lake Amador Oaks Cotton Wood Dublin Meadows Parkwood
FREMONT	Alicante Creekside Village Hampton Place Mission Wells Red Hawk Sun Pointe Village Pathfinder Village Sun Pointe Village Watermark Place Willow Creek
HAYWARD	Barrington Hills Clarendon Hills Hillcrest Mission Heights Summerwood Waterford Wimbledon Woods
PLEASANTON	Civic Square Hacienda Commons Hacienda Gardens Springhouse Stoneridge
UNION CITY	Veranda

SAN FRANCISCO COUNTY

2000 Post
Bayside Village
City Heights
Filmore Center
Fox Plaza
Golden Gateway Center
Oakwood
Post Street Towers
Portrero Court
RinconTowers
South Beach Marina
St. Francis Place

South Beach Marina
Village Square

SAN MATEO COUNTY

DALY CITY	Seramonte Ridge
FOSTER CITY	Beach Cove Foster's Landing Franciscan, The Harbor Cove Lantern Cove Sand Cove Schooner Bay Shadow Cove
PACIFICA	Fairmont, The Lands End Sea Ridge
REDWOOD CITY	Harborside Redwood Shores
REDWOOD SHORES	Indian Creek
SAN BRUNO	Evergreen Ridge Skycrest Treetops
SAN MATEO	Creekside Lakeshore Landing

Ann Roulac and Company

Bay Apartment Communities, Inc.

SANTA CLARA COUNTY

CAMPBELL	Canyon Creek Cedar Glen
MOUNTAIN VIEW	Brookside Park Greendale Heatherstone Park Place South Park Villa Mariposa
SAN JOSE	Bramblewood Carriage Square Colonnade Countrybrook E'lan at River Oaks Ellmar Oaks Fairway Glen Fountains at River Oaks Foxchase Greentree Kimberly Woods The Redwoods San Marino Willow Lake
SANTA CLARA	Alderwood Bella Vista Boardwalk Lakeside Los Padres Village Mansion Grove Marina Cove

Marina Playa
Park Central
Timberleaf

- --

- --

SUNNYVALE	Briarwood
	Bristol Commons
	The Cascades
	The Grove
	Kensington Place
	Lincoln Green
	Macara Gardents
	The Meadows
	Mission Pointe
	Parkside Commons
	Shadowbrook
	Summerhill Park
	Trellis Square

- --

- --

Exhibit III

Rental Surveys

- --

- --

Exhibit III

Alameda County
Rental Surveys

- --

- --

Exhibit III

San Francisco County
Rental Surveys

- --

- --

Exhibit III

San Mateo County
Rental Surveys

- --

- --

Exhibit III

Santa Clara County
Rental Surveys

- --

Exhibit 99.2

Addendum to Report Dated June 28, 1996

PRIMARY MARKETS POPULATION

County	1980	1990	1995	2000	Comp Ann Growth Rate 1980-1990	1990-2000
Santa Clara	1,295,073	1,497,577	1,594,900	1,711,988	1.5%	1.3%
Alameda	1,105,379	1,276,702	1,349,600	1,403,233	1.5%	1.1%
San Francisco	678,974	723,959	750,984	756,561	0.6%	0.7%
San Mateo	587,329	649,623	681,200	714,625	1.0%	1.0%
Total	3,666,755	4,147,861	4,376,684	4,586,406	1.2%	1.1%
Absolute Change					481,106	479,739
% Change					13.1%	11.6%

Sources: Historical-U.S. Census Bureau, Calculations & Forecasts-Rosen Consulting Group

MEAN HOUSEHOLD INCOME
BAY AREA VS. U.S.

	1995e	1996e	1996	1997f
Primary Markets	n.a.	87,354	88,097	92,159
San Francisco Bay Area	80,432	84,040	84,185	88,524
U.S.	44,589	46,027	46,671	48,403

Sources: historical data U.S. Census Bureau, forecasts and calculations Rosen Consulting Group

LIMITED SUPPLY
MULTIFAMILY PERMITS ISSUED
NINE-COUNTY BAY AREA

Year	Permits, Units
1986	25,197
1987	18,452
1988	12,499
1989	11,924
1990	8,596
1991	6,738
1992	4,265
1993	4,158
1994	4,521
1995	4,098
1996	7,062

1997f	7,999

Sources: Historical data-U.S. Census Bureau, 1996e-RCG.

PRIMARY MARKETS MULTIFAMILY PERMITS

Year	Multifamily Permits
80	6,915
81	4,810
82	4,639
83	7,540
84	9,366
85	12,031
86	14,548
87	13,391
88	8,224
89	7,723
90	5,404
91	4,750
92	3,171
93	3,206
94	4,158
95	2,798
96	5,743
97f	6,571

Sources: Historical-U.S. Census Bureau; 1996e-Rosen Consulting Group

RENTAL TENURE
PERCENTAGE OF HOUSEHOLDS WHICH RENT

	1990
Primary Markets	47%
9-County Bay Area	44%
U.S.	36%

Sources: 1990 Census, calculations Rosen Consulting Group

LIMITED HOME AFFORDABILITY
PERCENTAGE OF HOUSEHOLDS ABLE TO AFFORD THE MEDIAN-PRICED HOME

	1996
Primary Markets	42%
9-County Bay Area	38%
U.S.	55%

Sources: U.S. Census Bureau, California Association of Realtors, Rosen Consulting Group

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</TABLE>

<TABLE>

Existing Median Home Price
<CAPTION>

MSA	1990	1991	1992	1993	1994	1995	Upd. 9/96	1996	1997f
Oakland									
Price	259,000	262,420	259,250	256,200	255,600	254,400	263,050	265,258	277,051
Stock	534.7	538.7	544.3	549.0	554.9	560.3	566.3	566.2	573.1
San Francisco									
Price	259,000	262,420	259,250	256,200	255,600	254,400	263,813	265,258	276,134
Stock	340.5	341.5	342.2	342.9	343.9	345.1	346.1	346.2	347.4
San Jose									
Price	268,890	256,640	248,260	246,510	254,390	253,372	265,534	274,732	303,853
Stock	353.6	355.3	357.1	358.9	361.0	363.2	366.9	367.2	371.4
Santa Rosa									
Price	201,400	208,776	218,094	214,284	212,170	214,749	215,823	202,944	204,367
Stock	122.1	124.1	125.9	127.6	129.8	131.5	133.1	133.0	134.7
Vallejo-Fairfield-Napa									
Price	179,178	185,740	194,030	190,640	188,760	192,743	188,695	183,106	182,556
Stock	120.9	122.7	124.7	126.4	128.2	129.5	131.1	131.0	132.4
Total Bay Area-3 MSA	261,846	260,758	256,095	253,420	255,253	254,106	263,969	267,977	284,510
Total Bay Area-5 MSA	250,041	250,196	247,713	244,828	245,953	245,527	253,424	255,171	268,927

Note: Total Bay Area is a weighted average calculation based on single family stock for each of three or five metropolitan areas: Oakland (Alameda, Contra Costa Counties); San Francisco (Marin, SF, San Mateo Counties); San Jose (Santa Clara County); Santa Rosa (Sonoma County); Vallejo-Fairfield-Napa (Napa, Solano Counties)

Sources: U.S. Census Bureau, National Association of Realtors, Rosen Consulting Group
</TABLE>