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): July 26, 1996

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 5. Other Events.

Property Acquisitions.

From July 26, 1996 through August 7, 1996, Bay Apartment Communities, Inc. (the "Company") acquired four properties for an aggregate purchase price of approximately $77.8 million. As of August 7, 1996 the Company's portfolio consisted of 33 properties. The properties acquired from July 26, 1996 through August 7, 1996 are described below. Substantially all of the purchase price for each of the properties acquired on July 26, 1996 was funded by drawing on the Company's $200 million unsecured line of credit from Union Bank of Switzerland and substantially all of the purchase price for each of the properties acquired on August 7, 1996 was funded using the proceeds from the Company's underwritten public offering of 5,750,000 shares of common stock on August 5, 1996. 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.

MILL CREEK. On July 26, 1996, the Company purchased from Transamerica Realty Services, Inc. a 258 apartment home community located in Costa Mesa, California ("Mill Creek") for approximately $17.5 million. The Company intends to repair and repaint the community's exterior, add washers and dryers to the apartment home interiors, rebuild its leasing facility and fitness center and upgrade its landscaping.

THE FOUNTAINS. On July 26, 1996, the Company purchased from Keystone California Corp. a 226 apartment home community located in San Jose, California ("The Fountains") for approximately $27.9 million. The Company intends to repaint the entire exterior of this community and make other minor repairs.

CHANNING HEIGHTS. On August 7, 1996, the Company purchased from Channing Heights Associates a 254 apartment home community located in San Rafael, California ("Channing Heights") for approximately $24.5 million plus additional transaction costs of approximately $400,000. The Company intends to replace the community's roof, repair and repaint its exterior siding, upgrade its interiors, replace its leasing facility and fitness center and substantially upgrade its landscaping.

MARTINIQUE GARDENS. On August 7, 1996, the Company purchased from S & P Company a 145 apartment home community located in Costa Mesa, California ("Martinique Gardens") for approximately $7.5 million. The Company expects to substantially rebuild this community, including replacing its roof, repairing and repainting its exterior siding, replacing all apartment home interiors, rebuilding its leasing facility and fitness center, adding a substantial number of new garages, repaving its roadways and replacing the swimming pool and all of the landscaping. The pro forma impact of this acquisition was reported in the Company's current report on Form 8-K/A, dated May 23, 1996, as filed with the Securities and Exchange Commission on July 5, 1996.

ITEM 7. Financial Statements, Pro Forma Financial Information and Exhibits.

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

Financial Statements of Businesses Acquired. See Index to Financial Statements (page F-1).

(b) Pro forma Financial Statements

Pro Forma Financial Information. See Index to Financial Statements (page F-1).

(c) Exhibits

23.1 Independent Accountants Consent.

SIGNATURES

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

BAY APARTMENT COMMUNITIES, INC.

Dated: November 12, 1996

By: /s/ Gilbert M. Meyer

Gilbert M. Meyer
Chairman of the Board and President

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BAY APARTMENT COMMUNITIES, INC.

INDEX TO FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

BAY APARTMENT COMMUNITIES, INC.
PRO FORMA CONSOLIDATED BALANCE SHEET
JUNE 30, 1996
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

<TABLE>
<CAPTION>

ASSETS	HISTORIC-AL	1996 ACQUISI-TIONS	OTHER TRANSACTIONS	PRO FORMA
<S>	<C>	<C>	<C>	<C>
Real estate assets:				
Land	$117,252	$ 16,685 A	-	$133,937
Buildings and improvements	412,599	49,815 A	-	462,414
Furniture, fixtures and equipment	27,837	3,364 A	-	31,201
	557,688	69,864		627,552
Less accumulated depreciation	(42,326)	-		(42,326)
Operating real estate assets	515,362	69,864	-	585,226
Construction in progress	44,715	-	-	44,715
	560,077	69,864	-	629,941
Cash and cash equivalents	489	(69,516) B	$ 69,516 D	489
Other assets	10,988	-	-	10,988
Total assets	$ 571,554	$ 348	$ 69,516	$641,418
LIABILITIES AND SHAREHOLDERS' EQUITY				
Notes payable	275,495	-	(64,665) E	210,830
Accounts payable and accrued expenses	3,567	-	-	3,567
Dividends payable	6,339	-	-	6,339
Other liabilities	3,909	348 C	-	4,257
Total liabilities	289,310	348	(64,665)	224,993
Preferred stock, $.01 par value; 25,000,000 shares authorized; 2,308,800 shares of Series A outstanding at June 30, 1996 and June 30, 1996 pro forma; 405,022 shares of Series B outstanding at June 30, 1996 and June 30, 1996 pro forma, respectively.	27	-	-	27
Common stock, $.01 par value; 40,000,000 shares authorized; 13,226,851 shares outstanding at June 30, 1996; 18,976,851 shares outstanding at June 30, 1996 pro forma.	132	-	58 F	190
Paid-in capital	300,953	-	134,123 G	435,076
Dividends in excess of accumulated earnings	(18,868)	-		(18,868)
Total shareholders' equity	282,244	-	134,181	416,425
Total liabilities and shareholders' equity	$ 571,554	$ 348	$ 69,516	$641,418

</TABLE>

The accompanying notes are an integral part of these financial statements.

BAY APARTMENT COMMUNITIES, INC.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 1996
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

<TABLE>
<CAPTION>

	HISTORICAL	1996 ACQUISITIONS	PRO FORMA
<S>	<C>	<C>	<C>
Revenues:			
Rental	$34,000	$3,864 H	$37,864
Other	865	142 H	1,007
Total revenue	34,865	4,006	38,871
Expenses:			
Property operating	7,845	772 I	8,617
Property taxes	2,687	331 I	3,018
General and administrative	1,724	243 I	1,967
Interest and financing	7,107	-	7,107
Depreciation and amortization	8,197	1,071 J	9,268
	27,560	2,417	29,977
Income before minority interest	7,305	1,589	8,894
Minority interest	27	-	27
Income before extraordinary item	7,278	1,589	8,867
Extraordinary item	511	-	511
Net income	$ 6,767	$1,589	$ 8,356

</TABLE>

The accompanying notes are an integral part of these financial statements.

BAY APARTMENT COMMUNITIES, INC.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1995
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

<TABLE>
<CAPTION>

	HISTORICAL	1996 ACQUISITIONS	PRO FORMA
<S>	<C>	<C>	<C>
Revenues:			
Rental	$52,110	$7,728 H	$59,838
Other	1,411	285 H	1,696
Total revenue	53,521	8,013	61,534
Expenses:			
Property operating	12,452	1,544 I	13,996
Property taxes	4,349	661 I	5,010
General and administrative	2,467	486 I	2,953
Interest and financing	11,472	-	11,472
Depreciation and amortization	13,714	2,141 J	15,855
Total expenses	44,454	4,832	49,286

Income before minority interest and gain on sale	9,067	3,181	12,248
Minority interest	19	-	19
Income before gain on sale	9,048	3,181	12,229
Gain on sale	2,412	-	2,412
Net income	$11,460	$3,181	$14,641

</TABLE>

The accompanying notes are an integral part of these financial statements.

BAY APARTMENT COMMUNITIES, INC.
NOTES TO THE PRO FORMA FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

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 three apartment communities in July and August, 1996 (the "1996 Acquisition Communities"), the Company's second public offering in August, 1996 (the "Offering"), and paydowns on the $200 million unsecured line of credit (the "1996 Credit Facility"), had occurred on June 30, 1996. The pro forma consolidated statements of operations for the six months ended June 30, 1996, and the year ended December 31, 1995, have been prepared as if the above mentioned events had occurred on January 1, 1995. 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.

The pro forma financial statements are not necessarily indicative of what the actual results of operations of the Company would have been for the six months ended June 30, 1996 or for the year ended December 31, 1995 had the 1996 Acquisition Communities, the Offering, and paydowns on the 1996 Credit Facility occurred on January 1, 1995, nor do they purport to represent the results of operations for future periods.

2. PRO FORMA ADJUSTMENTS:

A. Additional real estate assets are attributable to the 1996 Acquisition Communities which consist of the $27.9 million acquisition of The Fountains Apartments, the $24.5 million acquisition of Channing Heights Apartments, and the $17.5 million acquisition of Mill Creek Apartments.

B. Decrease in cash and cash equivalents is attributable to cash used to acquire the 1996 Acquisition Communities.

C. Increase in other liabilities is attributable to resident deposits and accrued property taxes from the 1996 Acquisition Communities.

D. Increase in cash and cash equivalents is attributable to $134.2 million in net proceeds from the Offering offset by the $64.7 million paydown of the 1996 Credit Facility.

E. Decrease in notes payable is attributable to the paydown of the 1996 Credit Facility.

F. Increase in common stock is attributable to the issuance of shares in the Offering.

Continued

2. Pro Forma Adjustments, continued:

G. Additional paid in capital is attributable to the net proceeds from the Offering.

H. Additional rental and other revenue is attributable to the 1996 Acquisition Communities.

I. Additional property operating expense, property tax expense, and general and administrative expense are attributable to the 1996 Acquisition Communities.

J. Depreciation expense attributable to the 1996 Acquisition Communities has been computed using the straight-line method over 30 years for buildings and 7 years for furniture, fixtures and equipment.

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 Fountains Apartments, San Jose, California (the Property) for the year ended December 31, 1995. 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 Fountains Apartments, San Jose, California, for the year ended December 31, 1995 in conformity with generally accepted accounting principles.

Coopers & Lybrand L.L.P.

San Francisco, California
July 30, 1996

THE FOUNTAINS APARTMENTS
HISTORICAL SUMMARY OF REVENUES AND
DIRECT OPERATING EXPENSES
for the year ended December 31, 1995

<TABLE>

<S>	<C>
Revenues:	
Rental income	$2,808,953
Other	169,632
	2,978,585

Direct operating expenses:	
On-site management	126,728
Real property tax	282,570
Utilities	126,743
Repairs and maintenance	232,734
Other	137,950
	906,725
Revenues in excess of direct operating expenses	$2,071,860

</TABLE>

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

THE FOUNTAINS 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 Fountains Apartments, an apartment community, located in San Jose, California, with 226 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 Channing Heights Apartments, San Rafael, California (the Property) for the year ended December 31, 1995. 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 Channing Heights Apartments, San Rafael, California, for the year ended December 31, 1995 in conformity with generally accepted accounting principles.

Coopers & Lybrand L.L.P.

San Francisco, California
September 17, 1996

CHANNING HEIGHTS APARTMENTS
HISTORICAL SUMMARY OF REVENUES AND
DIRECT OPERATING EXPENSES
for the year ended December 31, 1995

<TABLE>

<S>	<C>
Revenues:	
Rental income	$2,564,131
Other	37,940
	2,602,071
Direct operating expenses:	
On-site management	81,381
Real property tax	226,306
Utilities	141,410
Repairs and maintenance	246,168
Other	117,419
	812,684
Revenues in excess of direct operating expenses	$1,789,387

</TABLE>

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

CHANNING HEIGHTS 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 Channing Heights Apartments, an apartment community, located in San Rafael, California, with 254 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.

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-3 (File No. 33-92688) and Form S-8 (File No. 33-80249) of our report dated July 30, 1996, on our audit of the Historical Summary of Revenues and Direct Operating Expenses of The Fountains Apartments for the year ended December 31, 1995, and of our report dated September 17, 1996, on our audit of the Historical Summary of Revenues and Direct Operating Expenses of Channing Heights Apartments for the year ended December 31, 1995, which reports are included in this Current Report on Form 8-K.

COOPERS & LYBRAND L.L.P.

San Francisco, California
November 12, 1996