
**UNITED STATES
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): **March 2, 2005**

AVALONBAY COMMUNITIES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of Incorporation)

1-12672
(Commission File Number)

77-0404318
(I.R.S. Employer Identification No.)

2900 Eisenhower Avenue, Suite 300, Alexandria, Virginia 22314
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code **(703) 329-6300**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 8.01 Other Events.

On March 2, 2005, AvalonBay Communities, Inc. (the "Company") issued a press release announcing a public offering (the "Offering") of an aggregate \$100,000,000 principal amount of its 4.95% Medium Term Notes due 2013 (the "Notes"). The offering was made pursuant to a Prospectus Supplement dated August 11, 2003 and a Pricing Supplement dated March 2, 2005 relating to the Company's Shelf Registration Statement on Form S-3 (File No. 333-103755). The Terms Agreement, dated March 2, 2005, by and among the Company and the Agents named therein, is filed herewith as Exhibit 1.1, and the press release announcing the Offering is filed herewith as Exhibit 99.1.

Interest on the Notes is payable semi-annually on March 15 and September 15 beginning on September 15, 2005, and the Notes will mature on March 15, 2013. The Company will use the net proceeds of approximately \$99 million, after underwriting discounts and other transaction-related costs, to reduce indebtedness outstanding under the Company's unsecured credit facility and for other corporate purposes. Settlement is scheduled for March 9, 2005.

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ITEM 9.01 Financial Statements and Exhibits

(c) Exhibits.

Exhibit No.	Description
1.1*	Terms Agreement, dated March 2, 2005.
5.1*	Legal Opinion of Goodwin Procter LLP, dated March 9, 2005.
23.1	Consent of Goodwin Procter LLP (included in Exhibit 5.1).
99.1*	Press Release of the Company, dated March 2, 2005.

* Filed herewith.

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SIGNATURES

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

AVALONBAY COMMUNITIES, INC.

By: /s/ Thomas J. Sargeant
Name: Thomas J. Sargeant
Title: Executive Vice President — Chief Financial Officer

Date: March 9, 2005

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EXHIBIT INDEX

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AVALONBAY COMMUNITIES, INC.

Medium-Term Notes
Due Nine Months or More From Date of Issue

TERMS AGREEMENT

March 2, 2005

AvalonBay Communities, Inc.
 2900 Eisenhower Avenue, Suite 300
 Alexandria, VA 22314

Reference is made to (i) that certain Amended and Restated Distribution Agreement dated as of August 6, 2003 (including any exhibits and schedules thereto, the "Distribution Agreement"), by and among AvalonBay Communities, Inc., a Maryland corporation (the "Company" or "AvalonBay"), each of Banc of America Securities LLC, Citigroup Global Markets Inc., Fleet Securities, Inc., J.P. Morgan Securities Inc., Lehman Brothers Inc., Morgan Stanley & Co. Incorporated and Wachovia Capital Markets, LLC, (ii) that certain Appointment Agreement dated the date hereof, by and between the Company and Deutsche Bank Securities Inc., (iii) that certain Appointment Agreement dated the date hereof, by and between the Company and Wells Fargo Securities, LLC, (iv) that certain Appointment Agreement dated the date hereof, by and between the Company and UBS Securities LLC, (v) that certain Appointment Agreement dated the date hereof, by and between the Company and BNY Capital Markets, Inc., and (vi) that certain Appointment Agreement dated the date hereof, by and between the Company and KeyBanc Capital Markets, a Division of McDonald Investments Inc. (the agreements in (ii), (iii), (iv), (v) and (vi) are collectively, the "Appointment Agreements" and the entities listed on Schedule 1 hereto are collectively the "Agents"). Morgan Stanley & Co. Incorporated and Deutsche Bank Securities Inc. have agreed to act as the representatives (the "Representatives") of the Agents in connection with this Terms Agreement (this "Agreement"). Capitalized terms used, but not defined, in this Agreement are used in this Agreement as defined in the Distribution Agreement. This Agreement is one of the Written Terms Agreements referred to in Section 4(a) of the Distribution Agreement.

In accordance with and subject to the terms and conditions stated in this Agreement, the Distribution Agreement and the Appointment Agreements, which agreements are incorporated herein in their entirety and made a part hereof, the Company agrees to sell to the Agents, and each of the Agents severally agrees to purchase, as principal, from the Company the aggregate principal amount set forth opposite its name in Schedule 1 hereto of the Company's Notes identified on Schedule 2 hereto. If one or more of the Agents shall fail at the Settlement Date to purchase the Notes which it or they are obligated to purchase under this Agreement, the procedures set forth in Section 4(a) of the Distribution Agreement shall apply.

The obligations of the Agents to purchase Notes shall be subject, in addition to the conditions precedent listed in the Distribution Agreement and the Appointment Agreements, to the delivery of the following documents to the Representatives, on or before the Settlement Date:

1. the opinions and letters referred to in Sections 6(a), 6(b) and 6(c) of the Distribution Agreement, each dated the Settlement Date and otherwise in substantially the same form as was delivered in connection with the Company's April 21, 2004 public offering of medium-term notes (the "Prior Offering");
2. the letters of Ernst & Young LLP referred to in Section 6(d) of the Distribution Agreement, dated the date hereof and the Settlement Date and otherwise in substantially the same forms as were delivered in connection with the Prior Offering; and
3. the officers' certificate referred to in Section 6(e) of the Distribution Agreement, dated the Settlement Date and otherwise in substantially the same form as was delivered in connection with the Prior Offering.

All such opinions, certificates, letters and other documents will be in compliance with the provisions hereof only if they are reasonably satisfactory in form and substance to the Representatives of the Agents and their counsel. The Company will furnish the Agents with such conformed copies of such opinions, certificates, letters and other documents as the Agents shall reasonably request.

This Agreement shall be governed by the laws of the State of New York. This Agreement, the Distribution Agreement and the Appointment Agreements constitute the entire agreement of the parties regarding the offering of Notes contemplated by this Agreement and supersede all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

AVALONBAY COMMUNITIES, INC.

By: /s/ Thomas J. Sargeant
Name: Thomas J. Sargeant
Title: Executive Vice President – Chief
Financial Officer

MORGAN STANLEY & CO. INCORPORATED

For itself and as the Representative
of the several Agents named
in Schedule 1 hereto

By: /s/ Harold J. Hendershot III
Name: Harold J. Hendershot III
Title: Executive Director

DEUTSCHE BANK SECURITIES INC.

For itself and as the Representative
of the several Agents named
in Schedule 1 hereto

By: /s/ Scott Flieger
Name: Scott Flieger
Title: Managing Director

By: /s/ Imran Ahmed
Name: Imran Ahmed
Title: Director

Schedule 1

AGENTS' ALLOCATIONS

Agent	Aggregate Principal Amount of Notes
Morgan Stanley & Co. Incorporated	\$ 30,000,000
Deutsche Bank Securities Inc	\$ 30,000,000
Banc of America Securities LLC	\$ 6,400,000
J.P. Morgan Securities Inc	\$ 6,400,000
Wachovia Capital Markets, LLC	\$ 6,400,000
Wells Fargo Securities, LLC	\$ 6,400,000
UBS Securities LLC	\$ 5,400,000
BNY Capital Markets, Inc	\$ 4,500,000
KeyBanc Capital Markets, a Division of McDonald Investments Inc	\$ 4,500,000
	\$ 100,000,000

Schedule 2

TERMS OF THE NOTES

Medium-Term Notes — Fixed Rate

Principal Amount: \$100,000,000
Net Proceeds to Issuer: \$99,049,000
Stated Maturity Date: March 15, 2013
Original Issue Date: March 9, 2005
Interest Payment Dates: March 15 and September 15

Issue Price (Public Offering Price): 99.679%
Agents' Discount Commission: 0.630%
Interest Rate: 4.95%
CUSIP 05348E AJ8
First Interest Payment Date: September 15, 2005

Redemption:

- o The Notes cannot be redeemed prior to the Stated Maturity Date at the option of the Company.

- ý The Notes may be redeemed prior to the Stated Maturity Date at the option of the Company.
Initial Redemption Date: See Additional/Other Terms.
Initial Redemption Percentage/Redemption Price: See Additional/Other Terms.
Annual Redemption Percentage Reduction: N/A

Optional Repayment:

- ý The Notes cannot be repaid prior to the Stated Maturity Date at the option of the Holder of the Notes.
o The Notes can be repaid prior to the Stated Maturity Date at the option of the Holder of the Notes.
Optional Repayment Dates:
Repayment Price: %

Currency:

Specified Currency: U.S. Dollars
(If other than U.S. Dollars, see attached)
Minimum Denominations:
(Applicable only if Specified Currency is other than U.S. Dollars)

Original Issue Discount ("OID"): o Yes ý No
Total Amount of OID:
Yield to Maturity:
Initial Accrual Period:

Form: ý Book-Entry o Certificated

Additional/Other Terms:

Reopening of Issue. The Company may, from time to time and without the consent of the noteholders, reopen an issue of notes and issue additional notes having the same terms and conditions (including maturity, interest payment terms and CUSIP number) as notes issued on an earlier date, except for the issue date, issue price and, if applicable, the first payment of interest. After such additional notes are issued, they will be fungible with the notes issued on such earlier date.

Optional Redemption. The Notes may be redeemed at any time at the option of AvalonBay, in whole or in part, upon notice of not more than 60 and not less than 30 days prior to the Redemption Date, at a Redemption Price equal to the sum of (i) the principal amount of the Notes being redeemed plus accrued interest thereon to the Redemption Date and (ii) the Make-Whole Amount, if any, with respect to such Note.

Acceleration of Maturity; Make-Whole Amount. If an Event of Default with respect to the Notes that are then outstanding occurs and is continuing, and pursuant to Section 2.7 of the Amended and Restated Third Supplemental Indenture dated as of July 10, 2000 (the "Third Supplemental Indenture") the Trustee or the Holders of not less than 25% in principal amount of the then outstanding Notes of this series shall have declared the principal amount (or, if the Notes of this series are Original Issue Discount Securities or Indexed Securities, such portion of the principal as may be specified in the terms hereof) of all the Notes of this series to be due and payable immediately, by a notice in writing to AvalonBay (and to the Trustee if given by the Holders), then upon any such declaration such principal, or specified portion thereof, plus accrued interest to the date the Notes of this series are paid, plus the Make-Whole Amount on the Notes shall become immediately due and payable. With respect to the Notes of this series, if an Event of Default set forth in Section 501(6) of the Indenture, dated as of January 16, 1998, between AvalonBay and the Trustee (the "Indenture") occurs and is continuing, such that pursuant to Section 2.7 of the Third Supplemental Indenture all the Notes of this series are immediately due and payable, without notice to AvalonBay, at the principal amount thereof (or, if the Notes of this series are Original Issue Discount Securities or Indexed Securities, such portion of the principal as may be specified in the terms of the Notes) plus accrued interest to the date the Notes are paid, then the Make-Whole Amount on the Notes shall also be immediately due and payable.

Definitions. Terms used but not defined herein shall have the meanings set forth in the Indenture and the Third Supplemental Indenture. The following terms shall have the following meanings:

"Make-Whole Amount" means, in connection with any optional redemption or accelerated payment of any Note, the excess, if any, of (i) the aggregate present value as of the date of such redemption or accelerated payment of each dollar of principal being redeemed or paid and the amount of interest (exclusive of interest accrued to the date of redemption or accelerated payment) that would have been payable in respect of such dollar if such redemption or accelerated payment had not been made, determined by discounting, on a semi-annual basis, such principal and interest at the Reinvestment Rate (determined on the third Business Day preceding the date such notice of Redemption is given or declaration of acceleration is made) from the respective dates on which such principal and interest would have been payable if such redemption or accelerated payment had not been made, over (ii) the aggregate principal amount of the Notes being redeemed or paid.

"Reinvestment Rate" means 0.125% (one hundred twenty-five one thousandths of one percent) plus the arithmetic mean of the yields under the respective headings "This Week" and "Last Week" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the remaining life to maturity, as of the payment date of the principal being redeemed or paid. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For such purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Statistical Release" means the statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded United States government securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination of the Make-Whole Amount, then such other reasonably comparable index which shall be designated by AvalonBay.

March 9, 2005

AvalonBay Communities, Inc.
2900 Eisenhower Avenue, Suite 300
Alexandria, VA 22314

Ladies and Gentlemen:

This opinion is delivered in our capacity as counsel for AvalonBay Communities, Inc., a Maryland corporation (the “Company”), in connection with the Company’s Registration Statement on Form S-3, as amended (File No. 333-103755) (the “Registration Statement”), and a prospectus supplement dated August 11, 2003 and a pricing supplement dated March 2, 2005 (together, the “Prospectus Supplement”), which supplement the prospectus included in the Registration Statement, relating to the offering of \$100,000,000 aggregate principal amount of 4.950% Medium-Term Notes due March 15, 2013 (the “Notes”) by the Company to or through the agents named in the pricing supplement dated March 2, 2005 pursuant to the terms of the Amended and Restated Distribution Agreement dated August 6, 2003 by and among the Company and the agents named therein (the “Distribution Agreement”). The prospectus included in the Registration Statement, as supplemented by the Prospectus Supplement, is herein called the “Prospectus.”

The Notes are to be issued pursuant to the terms of an Indenture (the “Original Indenture”), dated as of January 16, 1998, between the Company and U.S. Bank Trust National Association, as successor trustee (the “Trustee”), as supplemented by the First Supplemental Indenture dated as of January 20, 1998 between the Company and the Trustee, the Second Supplemental Indenture dated as of July 7, 1998 between the Company and the Trustee, and the Amended and Restated Third Supplemental Indenture dated as of July 10, 2000, between the Company and the Trustee (collectively, the “Indenture”).

We have examined the Amended and Restated Articles of Incorporation of the Company, as amended and on file with the Maryland State Department of Assessments and Taxation, the Amended and Restated Bylaws of the Company, the Indenture, the Distribution Agreement, certified resolutions of the Board of Directors of the Company (the “Board”) and actions pursuant to authority delegated to the Investment and Finance Committee of the Board (the “IFC Committee”) authorizing the issuance of the Notes (the “Authorizing Resolutions”), such records of corporate proceedings of the Company and legal considerations as we have deemed appropriate for the purposes of this opinion, the Registration Statement and the Prospectus Supplement and the exhibits thereto. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity with the original documents of all documents submitted to us as copies, and the accuracy of all factual statements set forth in such documents.

We are attorneys admitted to practice in The Commonwealth of Massachusetts. We express no opinion concerning the laws of any jurisdictions other than the laws of the United States of America, the Commonwealth of Massachusetts and the Maryland General Corporation Law, and also express no opinion with respect to the blue sky or securities laws of any state, including Massachusetts or Maryland. To the extent that any other laws govern any of the matters as to which we express an opinion herein, we have assumed, without independent investigation, that the laws of such jurisdiction are identical to those

of the Commonwealth of Massachusetts, and we express no opinion as to whether such assumption is reasonable or correct.

Based on the foregoing, we are of the opinion that the Notes to be sold by the Company to or through the agents named in the Prospectus Supplement, upon issuance in accordance with the terms of the Indenture and the Authorizing Resolutions and upon execution and delivery of such Notes and payment therefor in accordance with the terms of the Indenture and the Distribution Agreement and the related Terms Agreement dated March 2, 2005, will be legally issued and constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms and will be entitled to the benefits of the Indenture.

The foregoing opinion is qualified to the extent that the enforceability of any document, instrument, or Note may be limited by or subject to the effects of (i) bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer, reorganization, or other similar laws relating to or affecting creditors’ rights generally, (ii) general principles of equity or public policy principals, and (iii) the refusal of a particular court to grant equitable remedies, including specific performance and injunctive relief or a particular remedy sought under the Indenture as opposed to another remedy provided for therein or available at law or in equity. We note that the enforceability of specific provisions of the Indenture and the Notes may be subject to (a) standards of reasonableness and “good faith” limitations and obligations such as those provided in the Uniform Commercial Code and similar applicable principles of common law and judicial decisions and (b) the course of dealings between the parties, the usage of trade and similar provisions of common law and judicial decision.

We express no opinions concerning (i) the validity or enforceability of any provisions contained in the Indenture or Notes that purport to waive or not give effect to rights to notice, defenses, subrogation or other rights or benefits that cannot be effectively waived under applicable law, (ii) the enforceability of indemnification provisions to the extent that they purport to relate to liabilities resulting from or based on negligence or any violation of any federal or state securities laws, (iii) the enforceability of severability clauses or (iv) the enforceability of any provision in the Indenture or the Notes that purports to waive liability for violation of securities laws.

The opinions expressed herein are being furnished to you solely for your benefit in connection with the Registration Statement, and may not be used or relied upon by you for any other purpose, nor may this opinion be quoted from, circulated, relied upon or otherwise referred to, by any other person or entity without our prior written consent. This opinion is given as of the date first set forth above, and we assume no obligation to update this opinion. We hereby consent to the use of this opinion as an exhibit to the Company’s Current Report on Form 8-K dated March 9, 2005 which is incorporated by reference into the Registration Statement. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the 1933 Act or the General Rules and Regulations of the Securities and Exchange Commission.

Very truly yours,

/s/ Goodwin Procter LLP

GOODWIN PROCTER LLP

Contact: Thomas J. Sargeant
Chief Financial Officer
AvalonBay Communities, Inc.
703-317-4635

For Immediate Release

**AVALONBAY COMMUNITIES PRICES
\$100 MILLION MEDIUM-TERM NOTES OFFERING**

ALEXANDRIA, VA (March 2, 2005) - AvalonBay Communities, Inc. (NYSE/PCX: AVB) announced today that it priced a \$100 million offering of medium-term notes under its existing shelf registration statement. Interest on the notes is payable semi-annually on March 15th and September 15th and the notes will mature March 15, 2013. These eight-year notes, rated Baa1 by Moody's Investors Service and BBB+ by Standard & Poor's, were issued at 99.679% of face value with a coupon of 4.950% and yield to investors of 4.999%. The Company will use the net proceeds of approximately \$99 million, after underwriting discounts and other transaction-related costs, to reduce indebtedness outstanding under the Company's unsecured credit facility and for other corporate purposes. Settlement is scheduled for March 9, 2005.

About AvalonBay Communities

AvalonBay Communities, Inc., headquartered in Alexandria, Virginia, currently owns or holds an ownership interest in 148 apartment communities containing 42,810 apartment homes in ten states and the District of Columbia, of which ten communities are under construction and four communities are under reconstruction. AvalonBay is 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 may be found on AvalonBay's Web site at <http://www.avalonbay.com>.

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