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) **June 8, 2010**

AVALONBAY COMMUNITIES, INC.
(Exact name of registrant as specified in its charter)

Maryland	**1-12672**	**77-0404318**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

671 N. Glebe Road, Suite 800, Arlington, VA	**22203**
(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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

As previously noted in its earnings release dated April 28, 2010, AvalonBay Communities, Inc. (the "Company") will present at the upcoming NAREIT Institutional Investor Forum in Chicago. The Company's presentation is scheduled for 2:15 p.m. on June 9, 2010 and details on how to access a webcast of the presentation are available at the Company's website at http://www.avalonbay.com/events. In connection with its presentation, (1) the Company will provide the materials attached hereto as Exhibit 99.1 (the "Economic Research Brief") and (2) the Company issued on June 8, 2010 the press release attached hereto as Exhibit 99.2 updating some of the financial projections for the Company for the three months ending June 30, 2010 and the fiscal year ending December 31, 2010. At the presentation, the Company will discuss the Company's business and its view of the economy and apartment fundamentals, and will answer questions regarding these and other matters.

The Company does not undertake a duty to update the Economic Research Brief, and the views it expresses therein could change at any time as a result of unforeseen changes in economic data, political or economic developments, or changes in the Company's own portfolio metrics. The Economic Research Brief should not be understood to provide or imply any specific financial results or forecast for the Company. Any projections or forward-looking statements about the national economy, our markets or apartment fundamentals may prove to be untrue if trends such as employment, GDP, industrial or market growth prove different than discussed therein**.**

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Economic Research Brief (furnished herewith)
99.2	Press Release of AvalonBay Communities, Inc. dated June 8, 2010 (furnished herewith)

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.

June 8, 2010

By:	/s/ Thomas J. Sargeant
Name:	Thomas J. Sargeant
Title:	Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
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Exhibit 99.1

ECONOMIC RECOVERY

The following Market Research Brief from AvalonBay Communities, Inc. provides our current overview of economic and apartment conditions in our markets. Data is drawn from outside reports and our own portfolio. Please review further details at the end of this Brief.

Summary

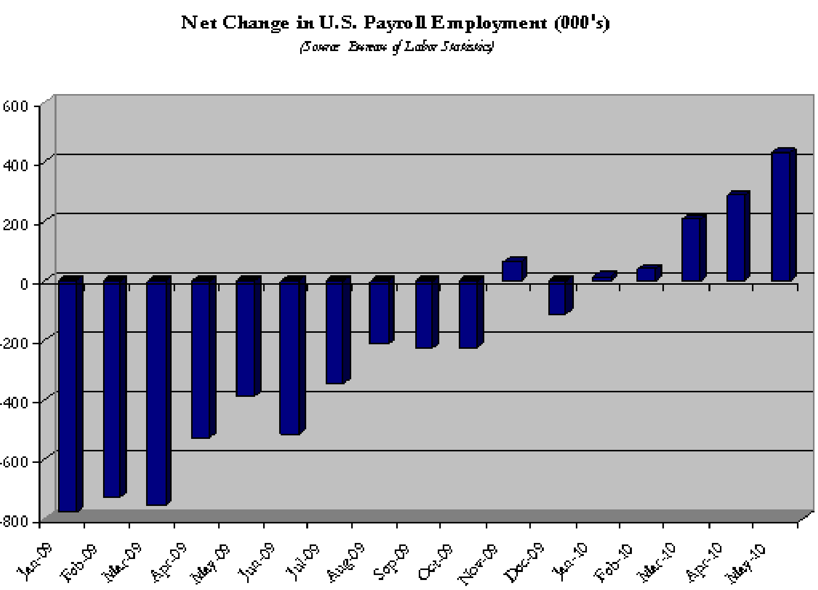
Data from both AVB's portfolio and third party reports show that sequential quarter rental revenue growth began turning positive in several AVB markets during 1Q10, a time of normally slower leasing activity. While the economic data suggest that there is now a recovery underway that is likely to include a return to sustainable job growth earlier in 2010 than we previously expected, modest levels of job growth so far do not fully explain the level or timing of improving revenue that the Company is seeing. We believe that other factors such as increased consumer confidence, the "unbundling" of larger households and the continued decline in homeownership rates are likely explanations.

The Job Market: Current Conditions and Outlook

Nationwide. An economic recovery now appears to be underway, driven in part by improving corporate profits, higher stock prices and a stabilized job market. Though not official, the inflection point of the recovery probably began in June 2009, as evidenced by two quarters of positive GDP growth during the second half of 2009, including very strong Q4 2009 growth of 5.6%. The job market stabilized roughly six months later, as evidenced by essentially flat job growth on average from November 2009 thru February 2010. March 2010 witnessed the return of modest job gains, with an increase in payroll employment of 208,000, followed by another 290,000 jobs in April and 431,000 in May. For the first five months of 2010, job growth averaged just below 200,000 per month.

The current pace of job gains remains modest but is ahead of assumptions used in the outlook we issued at the beginning of this year. Using the May 2010 baseline forecast from Moody's Economy.com, 2010 U.S. job growth is now forecast to average about 100,000 per month (1.2 million jobs for the year), compared to the 35,000 monthly average forecast (400,000 jobs for the year) at the beginning of the year. According to Moody's Economy.com, the improvement is being driven by better and broader than expected growth in manufacturing and consumer spending during Q1 2010, both of which now appear to be supporting sustainable demand as opposed to inventory replacement/pent-up demand. Better than expected growth is also underway in other economies around the globe, which may boost U.S. exports, assuming the European debt situation does not result in reduced demand for U.S. goods and services. The International Monetary Fund recently raised its outlook for 2010 global GDP growth to 4%.

- From a long-term perspective, monthly job gains in payroll employment over the last 20 years have averaged about 100,000 nationwide.



- Compared to prior recoveries, current job market conditions remain below-average according to a recent analysis by Wells Fargo Securities. A major cause for this difference appears to be the replacement of domestically-produced goods with imports, which offsets the increase in domestic production (and increased domestic hiring) generated during earlier recoveries. The record number of long-term unemployed underscores this problem: 44% of unemployed workers have been out of work more than six months.

- Several forecasts we have analyzed continue to call for much stronger job growth after 2010, averaging 200,000 to 250,000 per month in 2011 and 350,000 to 400,000 per month in 2012.

AVB Markets. The government's annual benchmarking revisions to its employment statistics now show that job losses were greater over the last two years than earlier estimates had suggested. Shown below are year/year changes in employment for the U.S. and AVB markets, along with the percentage change decline in total employment since the official beginning of the recent recession in December 2007 (May employment data for AVB markets is not available). The revisions now show that job losses over the last 12 months have been greater in AVB markets relative to the nationwide trend. In both periods, the most severe job losses have been on the West Coast, as shown below.

Employment Situation: AVB Markets

(year/year % change through April 2010)				(% change December 2007 through April 2010)			
Long Island	0.9%	San Diego	-2.0%	Washington	-1.3%	Central NJ	-6.1%
Washington	0.2%	Central NJ	-2.1%	New York	-3.0%	San Diego	-7.1%
Baltimore	-0.6%	Orange County	-2.1%	Boston	-3.6%	Chicago	-7.4%
New York	-0.9%	Seattle	-2.1%	Long Island	-2.6%	San Jose	-7.6%
US	-1.0%	San Jose	-2.2%	US	-5.6%	Fairfield	-7.7%
Boston	-1.0%	Chicago	-2.2%	Baltimore	-3.8%	San Francisco	-7.8%
Fairfield	-1.1%	Los Angeles	-2.4%	AVB Markets	-5.8%	Los Angeles	-8.5%
Northern NJ	-1.6%	Oakland	-3.6%	Seattle	-6.1%	Orange County	-9.8%
AVB Markets	-1.5%	San Francisco	-3.6%	Northern NJ	-6.1%	Oakland	-10.0%

Source: Bureau of Labor Statistics (seasonally adjusted data), Moody's Economy.com; Linneman Associates

Our current job growth assumptions for the U.S. and AVB markets are shown below.

Employment Outlook

	2010q1	2010q2	2010q3	2010q4	2010	2011	2012
US (000s)	65	560	180	310	1,100	2,700	4,500
AVB Markets (000s)	35	120	15	45	35	600	100
Yr/Yr % Change (US)	-2.3%	-0.6%	0.3%	0.9%	0.9%	2.1%	3.3%
Yr/Yr % Change (AVB Markets)	-2.9%	-1.2%	0.0%	0.7%	0.7%	1.8%	3.1%

Source: Economy.com (May_10 Baseline Forecast) Annual rates based on Q4 vs. Q4.

Employment trends will likely be "noisy" during 2010 as a result of the increase in Census workers during Q2 2010 followed by a decrease in Q3 2010. Although the likelihood of a "double-dip" recession appears to have diminished, economic uncertainty in Europe and sovereign debt concerns could slow economic growth. The $1 trillion European Liquidity program and correlated support with the US Federal Reserve appears to be a strong indication of the resolve that the central banks have toward ensuring stable financial markets.

Apartment Market Conditions

Data from both AVB's portfolio and several third party reports confirm that rental revenue improved during the winter leasing months despite both little evidence of significant hiring and the strong historic correlation between job growth and rental revenue. According to a recent report from REIS, sequential quarter changes were positive in a majority of US and AVB markets during 1Q10 although year over year rent revenue continued to decline. A recent report from Green Street Advisors offered a few explanations for the recent trend: a rebound from excessive discounting used by operators early last year in response to massive job cuts; an increase in the number of household formations, resulting from a stabilizing job market and improved consumer confidence; and sluggish demand for home-buying despite improved home affordability.

- Although real time data on **household formations** is limited, a recent report from Bank of America noted that Apartments.com (an on-line apartment search site) reported visits to its website were up 11% during 1Q10. Further, site visits in March were reported to be the highest in Apartments.com's 12-year history at 5.1 million.

- The nationwide **homeownership rate** dropped to 67.2% as of 4Q09. The estimated homeownership rate for AVB markets also fell to 58.3%. Sequential quarter changes are volatile, but a look across markets suggests that Boston and most West Coast markets continued to experience declining homeownership in recent quarters (see Appendix below). Expectations for an increase in foreclosures this year will likely continue pushing homeownership rates lower. We expect that any increase in foreclosures would be unlikely to boost apartment demand significantly, since homeowners driven into the rental market as a result of foreclosure are likely to rent single-family homes.

- **Consumer confidence** has rebounded to its highest level since March 2008. Although assessments of current conditions remain at low levels (as evidenced by the recent slowdown in consumer spending), assessments of future labor market conditions have returned to normal levels, with the largest improvement among younger age cohorts.

- We believe that there may be more **job growth** than the official estimates currently suggest. Employment data from the Household Survey has been showing consistent job growth nationwide since December 2009. A smaller and more volatile survey compared to the widely-watched payroll employment data, economists look to the Household Survey as a more accurate gauge of inflection points in economic growth. This suggests that job growth has probably contributed to increased renter demand over the last several months.

Data from AVB's portfolio supports the general trends discussed above:

- **Turnover** for AVB's same store consolidated portfolio was 42% (annualized) during 1Q10, down from the prior year level of 47%.

- **Availability** (vacant units plus leases maturing in the next 30 days) averaged 5.6% during 1Q10, the lowest level since 1Q08.

- **Economic occupancy** rose steadily above the benchmark 96.0% throughout 1Q10 and is the highest since 2Q08.

- **Concessions per move-in** were flat or lower from 4Q09 in every market except Orange County.

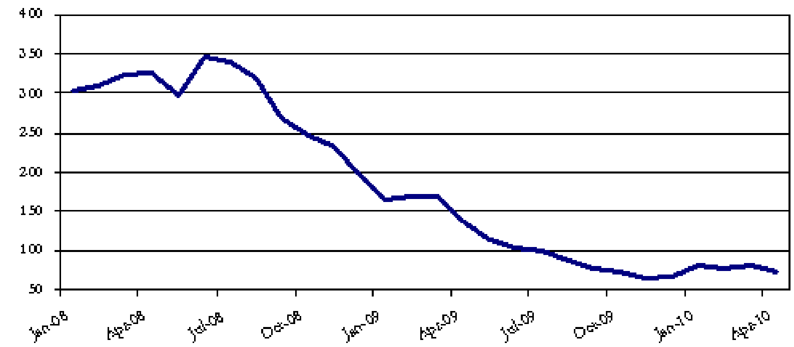
- **Move-outs for a home purchase** decreased to 14% of total move-outs in 1Q10 (down from 18% during 4Q09), returning to year-ago levels. Declines were greatest in relatively affordable markets (Chicago, suburban New York). The decrease in homebuyers was probably driven by a combination of a harsh winter as well as the initial November deadline for the first-time homebuyer tax credit.

- **Changes in move-in and renewal rent** have been improving steadily since 4Q09; the renewal rent change turned positive across the AVB portfolio in February and continued in March, driven by increases in the Mid-Atlantic and Boston.

Apartment Supply

The level of multifamily construction starts nationwide (for buildings with 5+ units, both rental and for-sale) has stabilized in recent months at an annualized rate of about 100,000 units as shown below. Assuming an 18-24 month construction period and about 100,000 units lost to obsolescence and/or demolition annually, completions in 2011 would net to zero, suggesting a shortage in rental housing by 2012 if current trends continue.

Multifamily Construction Starts for Buildings with 5+ Units



Source: Census, Citi Investment Research (data for building with 5+ units)

Highlights by Industry and Region

The following is a look at trends in industries driving local economies in major AVB markets:

Financial Services. Better than expected earnings among Wall Street firms are being reflected in employment data. Employment in the financial services sector stabilized in late 2009 (ahead of forecasts) and is now expected to begin increasing in the second half of 2010, according to a recent analysis by Moody's Economy.com. The impact of bonus payments on the overall local economies may be less than in prior years given that a larger share of bonuses are being paid in stock as opposed to cash. Uncertainty associated with new financial regulation is also a downside risk.

Seven AVB markets have a higher share of financial sector jobs than the U.S. overall (Boston, Fairfield, New York, Northern NJ, Chicago, San Francisco and Orange County). Based on preliminary data, New York's sequential monthly employment has been positive in 2010. Third party reports suggest concessions are being reduced or eliminated at prime location rental properties, and leasing driven by job relocations is active.

Technology. Pent-up demand for tech equipment is expected to be strong coming out of this recession, as business spending was relatively soft even during the last expansion. As a result, strong and steady growth in technology jobs is expected over the next several years (per Moody's Economy.com). Because tech industries pay relatively high wages, gains in technology employment will boost average incomes in metropolitan areas with an above-average share of tech jobs, benefiting the entire local economy.

- Hiring is reportedly strong among Internet companies. In San Jose, Google, Facebook and Apple are reportedly hiring and corporate housing activity is increasing.

- Other tech sectors expected to generate job growth include cyber security (DC Metro), biotechnology (San Diego, Northern California, Boston) and software (Seattle, Northern California).

- Nine AVB markets have a higher share of information technology jobs than the U.S. overall. In addition to the markets noted above, these markets are New York, Central NJ and Los Angeles.

Education and Health Services. This employment sector held up well during the recession. While growth in education jobs may be limited going forward given tighter government budgets, an aging population and impacts from new healthcare legislation will likely contribute to continuing growth in employment levels. Interestingly, education and health services account for a larger share of employment relative to the national average in most East Coast AVB markets (except DC Metro) but account for a smaller level of employment in most West Coast markets. This may help explain why the Northeast has held up relatively better during the recent downturn.

Appendix: Home Purchase Move-outs and Homeownership Rates in AVB Markets

Home Purchases as a % of Move-Outs

	1Q10	4Q09	Change
Fairfield County	21%	24%	-3%
Boston	18%	23%	-5%
DC Metro	17%	21%	-4%
Seattle	17%	22%	-5%
Baltimore	16%	21%	-5%
New York	16%	19%	-2%
Central New Jersey	16%	26%	-10%
Long Island	16%	27%	-11%
Orange County	12%	14%	-2%
Los Angeles	12%	10%	2%
San Jose	11%	17%	-5%
San Francisco	9%	11%	-1%
Chicago	8%	22%	-14%
Oakland-East Bay	8%	11%	-3%
Northern New Jersey	6%	15%	-10%
San Diego	4%	6%	-2%

Source: AVB (Stabilized Communities)

Homeownership Rate

	4Q09	3Q09	4Q08	3Q09 vs. 4Q09 Change
U.S.	67.2%	67.6%	67.5%	-0.4%
AVB Markets	58.3%	58.6%	58.5%	-0.3%
Boston	65.1%	67.1%	65.6%	-2.0%
San Diego	53.6%	55.6%	55.6%	-2.0%
SF/Oakland	57.3%	58.4%	55.6%	-1.1%
Oxnard/Ventura	73.1%	74.1%	77.2%	-1.0%
San Jose	57.2%	57.7%	53.9%	-0.5%
Chicago	69.0%	69.3%	67.9%	-0.3%
LA/Orange County	50.3%	50.6%	51.8%	-0.3%
Washington D.C.	66.6%	66.7%	67.2%	-0.1%
Seattle	60.7%	60.6%	59.5%	0.1%
NY/NNJ/LI	51.7%	51.4%	52.0%	0.3%
Baltimore	67.0%	66.2%	67.1%	0.8%
Bridgeport/New Haven	71.4%	69.3%	72.4%	2.1%

Source: Census (AVB markets weighted by total households)

This Market Research Brief is being provided to our investors in connection with our presentation at the NAREIT Institutional Investor Forum in Chicago on June 9, 2010, beginning at 2:15 p.m. Details on how to access a webcast of the presentation is available at the Company's website at http://www.avalonbay.com/events. At the presentation, we will discuss the Company's business and our view of the economy and apartment fundamentals, and we will answer questions regarding these and

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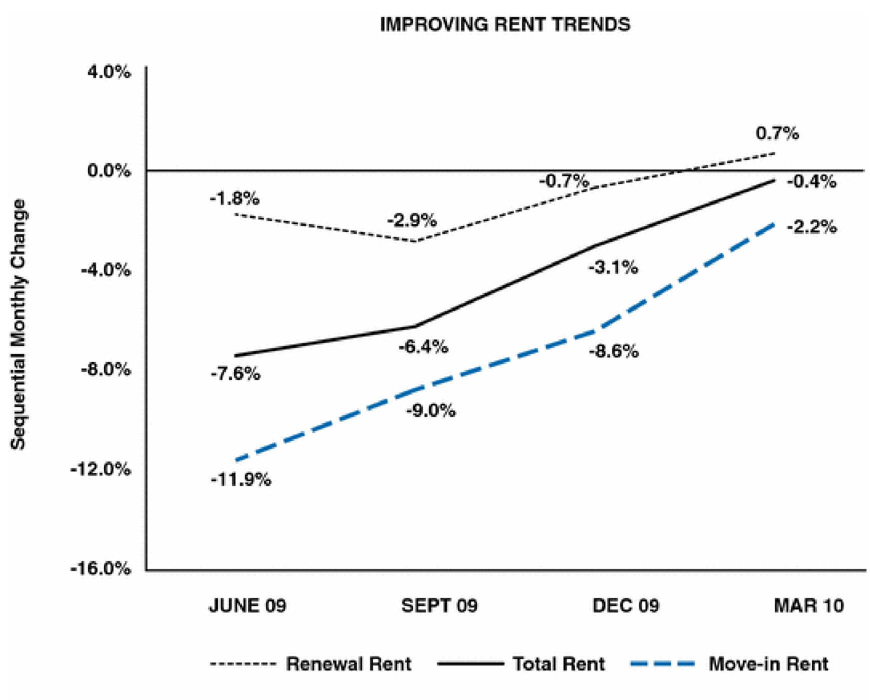
Note: The formatted version of the Economic Research Brief includes three "call-out boxes" containing the following sentences: "The pace of economic recovery is ahead of expectations." "Our data and third-party reports confirm rental revenue improvement." "Construction trends suggest an impending shortage of rental housing." "Nine AVB markets have an above average share of high-tech jobs."

The Economic Research Brief is being distributed with materials including the following graph and text:



Source: Company reports (Same store portfolio)

We saw the transition in our own portfolio during Q1 2010: economic occupancy averaged 96.2%, the average change in renewal rent turned positive in February, and we now expect sequential quarter rent revenue growth will be positive in Q2 2010.

Exhibit 99.2

PRESS RELEASE

Contact: John Christie
Senior Director
Investor Relations and Research
AvalonBay Communities, Inc.
703-317-4747

For Immediate Release

AVALONBAY COMMUNITIES UPDATES SECOND QUARTER AND FULL-YEAR 2010 OUTLOOK

Arlington, VA (June 8, 2010) — AvalonBay Communities, Inc. (NYSE: AVB) announced today an increase in the Company's outlook for Earnings per Share — diluted ("EPS") and Funds from Operations attributable to common stockholders - diluted ("FFO") per share for the second quarter and full year 2010. This release provides additional information to management's comments on April 29, 2010 (in connection with its first quarter earnings release) in which the Company noted that full year 2010 FFO per share would likely be higher than the outlook provided in February 2010 in the Company's fourth quarter 2009 earnings release (the "February 2010 Outlook").

EPS and FFO per Share Outlook Revisions

The Company now expects EPS for the quarter ending June 30, 2010 to be between $0.58 and $0.60 and Projected FFO per share to be between $1.01 to $1.03. The Projected FFO per share range for the quarter ending June 30, 2010 previously provided in the April 28, 2010 earnings release was $0.93 to $0.97 per share.

For the full year ending December 31, 2010, the Company now expects EPS to be within a range of $1.88 and $2.03, with Projected FFO per share to be within a range of $3.85 and $4.00. The previous Projected FFO per share for the full year 2010 provided in the February 2010 Outlook was a range of $3.60 to $3.85.

For the quarter ending June 30, 2010, the Company expects revenue from Established Communities will decline by 2.0% to 2.5% compared to the prior year period. For the full year 2010, revenue from Established Communities is anticipated to decline 0.75% to 1.75% as compared to the prior year. This compares to a decline of 3.0% to 4.5% for the full year 2010 included in the February 2010 Outlook.

The Company expects sequential revenue growth from Established Communities from the first quarter 2010 to the second quarter 2010 to be slightly positive, increasing approximately 1.0% between quarters. Sequential quarterly revenue growth is expected to continue for the third and fourth quarters of 2010, with year over year revenue growth emerging in the second half of 2010.

The Company expects that Net Operating Income ("NOI") will decline by 1.5% to 3.0% for the full year 2010 as compared to the prior year. The February 2010 Outlook anticipated that NOI for the full year 2010 would decline by 5.0% to 7.0% as compared to the prior year.

These improved operating trends are somewhat offset by the cessation in capitalized interest for certain land held for investment or where future development has been delayed and additional common stock issuances. An analysis of the revised full year 2010 financial outlook compared to the February 2010 Outlook follows:

	Per Share
FFO (February 2010 Outlook)	**$ 3.73**
NOI and other income	0.29
Reduction of Capitalized Interest	(0.05)
Impact of additional shares issued	(0.05)
FFO (June 2010 Outlook)	**$ 3.92**

The narrative that follows provides additional discussion of the changes presented above from the February 2010 Outlook to the Company's current outlook for 2010. Overall changes in the Company's expectations are also summarized on Attachment A of this release.

Basis for Revised Outlook

During the year, the Company periodically updates its financial outlook based in part on actual economic conditions (including job growth and housing market conditions) which may or may not be different from assumptions made at the beginning of the year. The Company's updated financial outlook also relies heavily on portfolio trend analysis, especially during the early stages of economic transition.

The principal factors behind the improved operating trends are better than expected employment levels earlier in the year, combined with household formation and homeownership trends that favor rental housing. The Company uses a composite of third party economic forecasts to develop operating and financial plans, with a particular focus on employment forecasts. Year-to-date 2010 economic data show net job gains began a quarter or two earlier than expected by third party forecasts, and employment forecasts for 2010 have now been revised upward accordingly. Other factors, such as a continued decline in homeownership and favorable renter demographics, provide additional evidence that apartment fundamentals are improving earlier than anticipated.

Investment and Capital Markets Activity

The February 2010 Outlook anticipated new development starts with a Total Capital Cost of $380 million. The Company now anticipates new development starts with a Total Capital Cost of approximately $600 million.

Year to date in 2010, the Company has sold 2,388,467 shares of common stock under the continuous equity offering program at an average price of approximately $94 per share, for net proceeds of $220,246,000. The Company now expects capital markets activity will total $300 million in 2010.

Second Quarter Earnings Release

The Company expects to release its second quarter 2010 earnings on August 3, 2010 after the market closes. The Company expects to hold a conference call on August 4, 2010 at 1:00 PM EDT to discuss the second quarter 2010 results.

About AvalonBay Communities, Inc.

As of March 31, 2010, the Company owned or held a direct or indirect ownership interest in 172 apartment communities containing 50,322 apartment homes in ten states and the District of Columbia, of which seven communities were under construction and seven communities were under reconstruction. The Company 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 may be found on the Company's website at 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.

Forward-Looking Statements

This release 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: national and local economic trends, including those relating to employment levels, household formation or homeownership trends, may be different than we anticipate, which may adversely impact our expected occupancy and revenue assumptions and projections; 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, 2009 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 second quarter or full year 2010. 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.

Definitions and Reconciliations

This release includes the definitions and reconciliations of the following non-GAAP financial measures and other capitalized terms:

FFO is determined based on a definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). FFO is calculated by the Company as Net income or loss attributable to common stockholders computed in accordance with GAAP, adjusted for gains or losses on sales of previously depreciated operating communities, extraordinary gains or losses (as defined by GAAP), cumulative effect of a change in accounting principle and depreciation of real estate assets, including adjustments for unconsolidated partnerships and joint ventures. Management generally considers FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses related to dispositions of previously depreciated operating communities and excluding real estate depreciation (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help one compare the operating performance of a company's real estate between periods or as compared to different companies.

Projected FFO, as provided within this release in the Company's outlook, is calculated on a basis consistent with historical FFO, and is therefore considered to be an appropriate supplemental measure to projected net income from projected operating performance. A reconciliation of the range provided for Projected FFO per share (diluted) for the second quarter 2010 to the range provided for projected EPS (diluted) is as follows:

	Low range	High range
Projected EPS (diluted) - Q2 10	$ 0.58	$ 0.60
Projected depreciation (real estate related)	0.69	0.69
Projected gain on sale of operating communities	(0.26)	(0.26)
Projected FFO per share (diluted) - Q2 10	$ 1.01	$ 1.03
Projected EPS (diluted) - Full Year 2010	$ 1.88	$ 2.03
Projected depreciation (real estate related)	2.82	2.82
Projected gain on sale of operating communities	(0.85)	(0.85)

Projected FFO per share (diluted) - Full Year 2010	$ 3.85	$ 4.00

NOI is defined by the Company as total property revenue less direct property operating expenses (including property taxes), and excludes corporate-level income (including management, development and other fees), corporate-level property management and other indirect operating expenses, investments and investment management expenses, expensed development and other pursuit costs, net interest expense, gain (loss) on extinguishment of debt, general and administrative expense, joint venture income (loss), depreciation expense, impairment loss on land holdings, gain on sale of real estate assets and income from discontinued operations. The Company considers NOI to be an appropriate supplemental measure to Net income of operating performance of a community or communities because it helps both investors and management to understand the core operations of a community or communities prior to the allocation of

corporate-level property management overhead or general and administrative costs. This is more reflective of the operating performance of a community, and allows for an easier comparison of the operating performance of single assets or groups of assets. In addition, because prospective buyers of real estate have different overhead structures, with varying marginal impact to overhead by acquiring real estate, NOI is considered by many in the real estate industry to be a useful measure for determining the value of a real estate asset or groups of assets.

Total Capital Cost includes all capitalized costs projected to be or actually incurred to develop the respective Development Community , including land acquisition costs, construction costs, real estate taxes, capitalized interest and loan fees, permits, professional fees, allocated development overhead and other regulatory fees, all as determined in accordance with GAAP.

Established Communities are identified by the Company as communities where a comparison of operating results from the prior year to the current year is meaningful, as these communities were owned and had stabilized operations as of the beginning of the prior year. Therefore, for 2010, Established Communities are consolidated communities that have stabilized operations as of January 1, 2009 and are not conducting or planning to conduct substantial redevelopment activities within the current year. Established Communities do not include communities that are currently held for sale or planned for disposition during the current year.

Development Communities are communities that are under construction during the current year. These communities may be partially or fully complete and operating.

Attachment A

2010 Financial Outlook
As of June 8, 2010

(Dollars in millions, except per share data)

	Revised Full Year (as of Jun 2010)	Original Full Year (as of Feb 2010)
Job Growth Data & Assumptions (1)		
2010 Expected US job growth	0.9%	0.3%
2010 Expected AVB Markets job growth	0.7%	0.0%
LIBOR Assumption	.23%/.32%/.75%/1.0%	.25% to .50%
Earnings per Share	$1.88 to $2.03	$1.60 to $1.85
Less - Net gain on asset sales, per share	$0.85	$0.75 to $1.00
Plus - Real estate depreciation, per share	$2.82	$2.75 to $3.00
Funds from Operations (FFO) (2) per share	$3.85 to $4.00	$3.60 to $3.85
FFO per Share Growth at the Mid-Point of Outlook Ranges		
Projected FFO per share change	0.9%	(4.2%)
Projected FFO per share change adjusted for non-routine items in 2009 and 2010	(12.0%)	(16.5%)
Established Communities (2)		
Rental revenue change	(0.75%) to (1.75%)	(3.0%) to (4.5%)
NOI change	(1.5%) to (3.0%)	(5.0%) to (7.0%)

	Total	Total
Development Activity		
Cash disbursed for Development Communities (2) and land for future development	$475 to $575	$450 to $550
Development Community (2) completions	$77	$77
Development Starts	$600	$380
Disposition Activity		
Disposition volume	$190	$180 to $200
Financing Activity - Sources (Uses)		

New Capital Markets Activity	$300	$200
Debt maturities & Early Redemptions	($140)	($120)
Weighted average interest rate on maturing debt	6.2%	6.1%
Capitalized Interest (3)	$30 to $40	$40 to $50
Expensed Overhead (Corporate G&A, Property and Investment Management)	0% to 10%	0% to 10%

(1) Moody's Economy.com forecast of the percentage change in total employment (non-farm payroll) for Q4 2009 **(three-month average)** vs. Q4 2010 **(estimated three-month average)**. The February 2010 Outlook presented a projected -0.7% change for both the U.S. and AVB Markets based on a **calendar year average** 2009 vs. 2010.

(2) This term is a non-GAAP measure or other term that is described more fully on pages 4 and 5 of this release.

(3) Decline in capitalized interest is due to planned cessation of capitalized interest for certain land held for investment or where future development has been delayed, offset by increased capitalized interest from new development starts.

This chart contains forward-looking statements (please see the paragraphs on p. 3 regarding forward-looking statements).