

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| | | |
|--|---|---|
| 1. Name and Address of Reporting Person* <u>SCHULMAN EDWARD M</u> (Last) (First) (Middle) C/O AVALONBAY COMMUNITIES, INC. 2900 EISENHOWER AVE., SUITE 300 (Street) ALEXANDRIA VA 22314 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>AVALONBAY COMMUNITIES INC [AVB]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) SVP-General Counsel |
| | 3. Date of Earliest Transaction (Month/Day/Year) 02/26/2004 | |
| 4. If Amendment, Date of Original Filed (Month/Day/Year) | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|------------|-----------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock, par value \$.01 per share | 02/26/2004 | | M | | 2,975 | A | \$33.75 | 17,403.799 ⁽¹⁾ | D | |
| Common Stock, par value \$.01 per share | 02/26/2004 | | M | | 525 | A | \$32.5625 | 17,928.799 ⁽¹⁾ | D | |
| Common Stock, par value \$.01 per share | 02/26/2004 | | S | | 2,975 | D | \$51.1 | 14,953.799 ⁽¹⁾ | D | |
| Common Stock, par value \$.01 per share | 02/26/2004 | | S | | 525 | D | \$51.11 | 14,428.799 ⁽¹⁾ | D | |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-------|--|-----------------|---|--|--|---|--|-------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | | Title |
| Stock Options (Right to Buy) | \$33.75 | 02/26/2004 | | M | | | 2,975 | 02/28/2001 ⁽²⁾ | 02/28/2010 | Common Stock | 2,975 | (3) | 49,749 ⁽⁴⁾ | D | |
| Stock Options (Right to Buy) | \$32.5625 | 02/26/2004 | | M | | | 525 | 02/01/2000 ⁽⁵⁾ | 02/01/2009 | Common Stock | 525 | (6) | 49,224 ⁽⁷⁾ | D | |

Explanation of Responses:

- The amount of securities owned following the reported transaction reflects direct ownership of all shares of common stock, including restricted shares.
- The options exercised were included in options granted on February 28, 2000, which became exercisable in three equal annual installments beginning on February 28, 2001.
- The options exercised were granted to the reporting person on February 28, 2000 under the Company's Stock Incentive Plan.
- The amount of securities owned following the reported transaction includes options granted on various dates with varying exercise prices and vesting dates. After the exercise described above, the reporting person has 2,305 remaining options that expire on February 28, 2010 with an exercise price of \$33.75.
- The options exercised were included in options granted on February 1, 1999, which became exercisable in three equal annual installments beginning on February 1, 2000.
- The options exercised were granted to the reporting person on February 1, 1999 under the Company's Stock Incentive Plan.
- The number of derivative securities beneficially owned following the reported transaction includes options granted in prior periods with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds 223 more options that expire on February 1, 2009 with an exercise price of \$32.5625.

Remarks:

/s/ Edward M. Schulman

03/01/2004

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.