

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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>SCHUSTER ALLAN D</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) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>05/19/2004</u>	
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	05/19/2004		M		7,683	A	\$28.31	29,741.134 ⁽¹⁾	D	
Common Stock, par value \$.01 per share	05/19/2004		M		7,863	A	\$35.31	37,424.134 ⁽¹⁾	D	
Common Stock, par value \$.01 per share	05/19/2004		S		15,366	D	\$52.359	22,058.134 ⁽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						Amount or Number of Shares
Stock Options (Right to Buy)	\$28.31	05/19/2004		M		7,683		05/14/1997	05/14/2006	Common Stock	7,683	(2)	58,683 ⁽³⁾	D	
Stock Options (Right to Buy)	\$35.31	05/19/2004		M		7,683		05/13/1998	05/13/2007	Common Stock	7,683	(4)	51,000 ⁽⁵⁾	D	

Explanation of Responses:

- The amount of securities owned following the reported transaction reflects direct ownership of all shares of common stock, including Deferred Stock Units ("Units"), which may be subject to vesting requirements. The Units will convert into common stock when the reporting person ceases to be an employee or director of the issuer.
- The options exercised were included in options granted on May 14, 1996 under the issuer's Stock Option and Incentive Plan.
- The number of derivative securities beneficially owned following the reported transaction includes options granted on various dates with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds no more options that expire on May 14, 2006 with an exercise price of \$28.31.
- The options exercised were included in options granted on May 13, 1997 under the issuer's Stock Option and Incentive Plan.
- The number of derivative securities beneficially owned following the reported transaction includes options granted on various dates with varying exercise prices and vesting dates. Following the reported transaction, the reporting person owns no more options that expire on May 13, 2007 with an exercise price of \$35.31.

Remarks:

By Edward M. Schulman under
Power of Attorney dated January 05/20/2004
27, 2000

** 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.

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