

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>HEALY JOHN J JR</u> (Last) (First) (Middle) <u>C/O AVALONBAY COMMUNITIES, INC.</u> <u>2900 EISENHOWER AVE., SUITE 300</u> (Street) <u>ALEXANDRIA VA 22314</u> (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>08/12/2004</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

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	08/12/2004		S		6,800	D	\$59.2699	16,325.917 ⁽¹⁾	D	
Common Stock, par value \$.01 per share	08/13/2004		M		5,000	A	\$25.375	21,325.917 ⁽¹⁾	D	
Common Stock, par value \$.01 per share	08/13/2004		M		10,000	A	\$34.375	31,325.917 ⁽¹⁾	D	
Common Stock, par value \$.01 per share	08/13/2004		S		15,000	D	\$58.9067	16,325.917 ⁽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
Employee Stock Options (Right to Buy)	\$25.375	08/13/2004		M			5,000	05/01/1997	05/01/2006	Common Stock	5,000	\$0.00 ⁽²⁾	61,000 ⁽³⁾	D	
Employee Stock Options (Right to Buy)	\$34.375	08/13/2004		M			10,000	05/20/1998	05/20/2007	Common Stock	10,000	\$0.00 ⁽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 will convert into Common Stock when the reporting person ceases to be an employee or director of the issuer. The amount of securities owned following the reported transaction also (a) reflects that the reporting person owned 800 shares of Common Stock inadvertently omitted from previous reports, and (b) includes 198,099 Units issued to the reporting person on the issuer's second quarter dividend payment date.
- The options exercised were included in options granted on May 1, 1996.
- The number of derivative securities beneficially owned following the reported transaction includes options granted in various periods with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds no more options that expire on May 1, 2006 with an exercise price of \$25.375.
- The options exercised were included in options granted on May 20, 1997.
- The number of derivative securities beneficially owned following the reported transaction includes options granted in various periods with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds no more options that expire on May 20, 2007 with an exercise price of \$34.375.

Remarks:

By Edward M. Schulman under
Power of Attorney dated January 27, 2000 08/16/2004

** 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.